



Daily Report

East Asia

FBIS-EAS-94-177
Tuesday
13 September 1994

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APEC Forum Reaches Agreement on Investment

*OW1109130294 Tokyo KYODO in English 1137 GMT
11 Sep 94*

[Text] Jogjakarta, Indonesia, Sept. 11 KYODO—A group of experts of the Asia-Pacific Economic Cooperation (APEC) forum has reached after two days of intense discussions substantial agreement on nonbinding principles of investment in the region, according to a report by the group obtained by KYODO NEWS SERVICE on Sunday [1 Sep].

The text of an initial draft of APEC non-binding investment principles said the accord follows discussions Tuesday and Wednesday by the experts group of APEC's committee on trade and investment.

The group agreed that the report would be put before the committee and senior officials as a report on the progress achieved in meeting the mandate of APEC leaders in Seattle last year.

Since Tuesday, Indonesia has hosted six APEC meetings, including the committee's meeting and a task force on the Uruguay Round of multilateral trade talks held under the General Agreement on Tariffs and Trade.

The meetings precede the third round of senior APEC officials meeting in Jogjakarta on Sept. 12-14.

The report said the experts group reviewed the draft and a general consensus was reached on most issues.

"Experts have worked very hard to bridge significant differences in positions and achieve balance," it said. "These efforts are reflected in the current (final) draft text. However, on several elements, specific concerns remain."

Participants, the report added, have agreed they will endeavor to convey to their officials at home the serious efforts undertaken to obtain general consensus on the draft.

Draft of Investment Principles

*OW1109131994 Tokyo KYODO in English 1155 GMT
11 Sep 94*

[Text] Jogjakarta, Indonesia, Sept. 11 KYODO—The following is the text of a final draft on APEC non-binding investment principles discussed by the investment experts group of the Asia-Pacific Economic Cooperation (APEC) forum's committee on trade and investment in Jogjakarta last Tuesday and Wednesday.

In the spirit of APEC's underlying approach of open regionalism,

Recognizing the importance of investment to economic development, the stimulation of growth, the creation of jobs and the flow of technology in the Asia-Pacific region,

Emphasizing the importance of promoting domestic environments that are conducive to attracting foreign investment, such as stable growth with low inflation, adequate infrastructure, adequately developed human resources and protection of intellectual property rights,

Reflecting that most APEC economies are both sources and recipients of foreign investment,

Aiming to increase investment, including investment in small and medium enterprises, and to develop supporting industries,

Acknowledging the diversity in the level and pace of development of member economies as may be reflected in their investment regimes, and committed to ongoing efforts toward the improvement and further liberalization of their investment regimes,

Without prejudice to applicable bilateral and multilateral treaties and other international instruments,

APEC members aspire to the following nonbinding principles: Transparency [subhead]

- Member economies will make all laws, regulations, administrative guidelines and policies pertaining to investment in their economies publicly available in a prompt, transparent and readily accessible manner. Non-Discrimination Between Source Economies [subhead]

- Member economies will extend to investors from any economy treatment in relation to the establishment, expansion and operation of their investments that is no less favorable than that accorded to investors from any other economy in like situations, without prejudice to relevant international obligations and principles. National Treatment [subhead]

- With exceptions as provided for in domestic laws, regulations and policies, member economies will accord to foreign investors in relation to the establishment, expansion, operation and protection of their investments, treatment no less favourable than that accorded in like situations to domestic investors. Investment Incentives [subhead]

- Member economies will not relax health, safety and environmental regulations as an incentive to encourage foreign investment. Expropriation and Compensation [subhead]

- Member economies will not expropriate foreign investments or take measures that have a similar effect, except for a public purpose and on a nondiscriminatory basis, in accordance with the laws of each economy and principles of international law, and against the prompt payment of adequate and effective compensation. Repatriation and Convertibility [subhead]

- Member economies will allow the free and prompt transfer of funds related to foreign investment, such as profits, dividends, royalties, loan payments and liquidations, in freely convertible currency, subject to the laws and regulations applicable in each economy. Settlement of Disputes [subhead]

- Member economies will permit the temporary entry and sojourn of key foreign technical and managerial personnel for the purpose of engaging in activities connected with

foreign investment, subject to relevant laws and regulations. Avoidance of Double Taxation [subhead]

- Member economies will avoid double taxation related to foreign investment. Investor Behaviour [subhead]

- Acceptance of foreign investment is facilitated when foreign investors abide by the host economy's laws, regulations, administrative guidelines and policies, just as domestic investors should. Removal of Barriers to Capital Exports [subhead]

- Member economies accept that regulatory and institutional barriers to the outflow of investment will be minimized.

Trading Powers Agree on WTO Ministerial Meeting

OW1309050994 Tokyo KYODO in English 0455 GMT 13 Sep 94

[Text] Los Angeles, Sept. 12 KYODO—Four major trading powers have agreed that the first ministerial meeting of the World Trade Organization (WTO) will be held in Geneva following its inauguration in January 1995, a conference source said Monday [12 September].

The WTO is to replace the General Agreement on Tariffs and Trade (GATT) as an international body to promote free trade.

The source, who attended the weekend "quad" ministerial meeting in Los Angeles of Japan, the United States, Canada and the European Union (EU), said the four powers also agreed that the WTO will hold an annual ministerial meeting—once every two years in Geneva and in alternate years in WTO member nations.

They also agreed that efforts should be made to hold the second WTO meeting in Singapore, the source said.

EU officials asked, however, that caution be exercised in selecting the site of the second meeting, due to Dutch opposition to Singapore hosting the conference, the source said.

'Further Discussions' Proposed on EPG Report

OW1209235394 Tokyo KYODO in English 2311 GMT 12 Sep 94

[Text] Jogjakarta, Indonesia, Sept. 13 KYODO—The Japanese delegation to the third-round meeting of APEC senior officials in Jogjakarta Monday [12 September] proposed further discussions on the second report of the Eminent Persons Group (EPG), saying the review of the report at the meeting was inadequate.

"It (review) was too general, we need more discussions about the report," a Japanese official told Japanese

journalists in a press briefing after the close of the first-day Senior Officials Meeting (SOM).

The official also quoted Suhadi Mangkusuwondo, a member of the EPG of Indonesia, as saying that it would be possible to implement investment liberalization by the year 2000, although some senior officials said they considered the coming five years too short a period of time in which to reach this objective.

In a separate press conference, however, Wisber Loeis, the meeting's chairman, said no objections had been lodged concerning the proposed time-frame.

"Generally, the comments were very positive, but I have no authority to go into details," said Wisber, who is also director general for foreign economic relations at the Ministry of Foreign Affairs.

Wisber further said delegates at the first-day meeting discussed other substantive issues and reached some important agreements.

Besides reviewing the EPG report, the delegates listened to a presentation of the report of the Committee on Trade and Investment (CTI) by its chairman Sun Chon-yung, assistant to the South Korean foreign minister for economic affairs.

In its report, the committee proposed the establishment of subcommittees under the CTI and reported its plan to hold an APEC trade ministerial meeting next month in Jakarta.

"The committee took note that Indonesia has asked Canada, Korea, Australia and the U.S. to be lead speakers on the agenda of the APEC trade ministers meeting," the report said.

Wisber also said all delegates had agreed on the need to upgrade the ad hoc group on economic trends and issues (ETI), currently chaired by Canada, to an economic committee.

"But the highest policy-maker is the APEC ministerial meeting, not the SOM," Wisber said, adding that the SOM only presents recommendations.

The third SOM was opened Monday morning by Wisber and is expected to end Wednesday.

The Chilean delegation is attending the SOM for the first time. At the second SOM in Bali last May, it was agreed that Chile should be invited to attend the third and fourth SOM as a guest of the chairman.

Chile's full participation in APEC will begin at the sixth ministerial meeting in Jakarta next November.

APEC groups five members of the Association of South-east Asian Nations (ASEAN)—Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand—plus Australia, Canada, China, Hong Kong, Japan, South Korea, Mexico, New Zealand, Papua New Guinea, Taiwan and the United States.

Japan

Reports on Issues Related to Framework Talks

U.S. Amenable to Partial Deal

OW1309053094 Tokyo KYODO in English 0520 GMT
13 Sep 94

[Text] Tokyo, Sept. 13 KYODO—The United States appears to agree to a Japanese proposal to pursue a partial deal in the bilateral trade "framework" talks, international trade and industry Minister Ryutaro Hashimoto said Tuesday [13 September].

Japan proposed to the U.S. in a series of trade talks last week that the two countries seek to settle the framework talks by wrapping up "what could be wrapped up," Hashimoto told a press conference.

U.S. officials, including Commerce Secretary Ron Brown, responded negatively to the proposal at the beginning, Hashimoto said. "But my impression was that the U.S. has finally shown understanding."

"At present, there are no prospects (for a comprehensive solution to the framework talks)," Hashimoto said.

Hashimoto met with Brown and U.S. Trade Representative Mickey Kantor in Washington in a bid to break the impasse in the trade talks before the U.S.-imposed Sept. 30 deadline for possible sanctions.

Tokyo was reported to have proposed that insurance and government procurement trade talks be settled before Sept. 30 with auto trade issues left for future negotiation.

These areas represent the three priority sectors of the framework talks. The insurance and government procurement sectors are believed close to agreement.

Official Not Optimistic

OW1309124694 Tokyo KYODO in English 1236 GMT
13 Sep 94

[Text] Tokyo, Sept. 13 KYODO—A senior Foreign Ministry official Tuesday [13 September] threw cold water on optimistic views in the media over the Japan-U.S. "framework" trade negotiations.

The official told reporters on condition of anonymity that there is no assurance that the framework talks can be wrapped up at the upcoming meeting between Japanese Foreign Minister Yohei Kono and U.S. Trade Representative Mickey Kantor later this month.

"I don't know why newspapers are saying the talks are nearing a deal," said the official, who accompanied Kono and Trade Minister Ryutaro Hashimoto on their recent trips to the United States.

Kono is scheduled to visit the U.S. again later this month and meet Kantor on Sept. 23.

While admitting that the U.S. has changed its demand on the so-called objective criteria for measuring the openness of the Japanese market, the official said the U.S. is still inclined toward managed trade.

Contentious Auto Talks Proposal

OW1209020494 Tokyo NIHON KEIZAI SHIMBUN in
Japanese 10 Sep 94 Morning Edition p 4

[Article by Koya Shimizu of NIHON KEIZAI SHIMBUN Washington Bureau: "Chaotic Economic Consultations; A Gap Exists in Thinking of Bureaucrats"]

[Text] The all-out "autumn battle" of the Japan-U.S. economic consultations has started. Ryutaro Hashimoto, minister of international trade and industry, in a meeting with U.S. Trade Representative Mickey Kantor on 7 September, presented a compromise proposal on the automobiles and auto parts sector—only to be ignored by the U.S. delegation. Yohei Kono, deputy prime minister and foreign minister, signaled an admission that the proposal came too early. After all, the proposal did not prove effective in creating a breakthrough in the talks. Meanwhile, poor communication between the Ministry of International Trade and Industry [MITI] and the Ministry of Foreign Affairs [MOFA] is thought to have contributed to aggravating the situation.

It was the morning of 8 September. Ambassador Kantor boarded United Airline's Flight 001 at Dulles Airport in the suburbs of Washington D.C. The flight bound for Los Angeles departed at 0900. Kantor was on the first row of economy class seats. For five hours, he read papers quietly. He was getting prepared for a meeting with Foreign Minister Yohei Kono that was due to start at 1500.

As if to watch Kantor, Japanese Ambassador to Washington Takakazu Kuriyama boarded the same plane. But Ambassador Kuriyama was seated in first class, and did not get a chance to talk to him.

Yoshihiro Sakamoto, director of MITI's International Trade Policy Bureau, who had been instructed by MITI Minister Hashimoto to report to Foreign Minister Kono on the Hashimoto-Kantor meeting of the previous day, was on the same plane. But Ambassador Kuriyama and Director Sakamoto were on their own, and were not seen talking to each other. Then the two separately checked into the hotel where Foreign Minister Kono was waiting.

The major point in the Hashimoto-Kantor meeting of the previous day was a proposal made by Hashimoto. He said at the meeting: "It is difficult to arrive at a compromise regarding finished automobiles, and a complete agreement is difficult even regarding auto parts. We should be satisfied with an agreement regarding some of the auto parts issues." What he wanted to do was to give a push to the talks on the automobiles and auto parts sector, which were having a rough time. But Trade

Representative Kantor did not reply. His attitude was that of appearing to say "a proposal like that should not come until the last moment in the talks—the final week in September."

The Hashimoto-Kantor meeting had initially started with several officials of the MITI and one from the MOFA—Economic Affairs Bureau Director Koichi Haraguchi—attending, but later turned into a meeting of only the two. It was at this meeting of the two that Hashimoto brought out the proposal. Sozaburo Okamatsu, deputy vice-minister for international trade and industry, who had planted the idea on the proposal with Minister Hashimoto, and other MITI officials later learned what transpired in the meeting, but MOFA's Director Haraguchi flew from Washington to Los Angeles that evening without knowing the results.

In Los Angeles at 1300 on 8 September, MOFA Deputy Vice Minister Sadayuki Hayashi and Foreign Minister Kono held a second preparatory meeting. Sakamoto, MITI's International Trade Policy Bureau director, was also there.

In fact, Sakamoto was also present at the three-hour-long Kono-Kantor meeting, even though MOFA's Director Haraguchi was unable to attend the Brown-Hashimoto meeting the previous day. Yet in a briefing following the meeting, the MOFA announced, "The [Kono-Kantor] meeting was attended also by Ambassador Kuriyama and Deputy Vice Minister Hayashi," and did not mention the name of Sakamoto.

Anyway, Sakamoto was unable to talk Foreign Minister Kono into accepting Minister Hashimoto's proposal. Asked about it following his meeting with Kantor, Foreign Minister Kono said: "We are not in the stage of making a public statement on that yet." He thus strongly signaled that the proposal to agree only on a limited number of issues in the auto parts sector was a hasty one. The backlash from MOFA officials who learned about the Hashimoto proposal is believed to have led Kono to make this remark.

Import of Medical Equipment

OW1309003694 Tokyo NIHON KEIZAI SHIMBUN in Japanese 11 Sep 94 Morning Edition p 1

[Text] Major medical equipment manufacturer Hitachi Medical Corp., or Hitachi Medico, is entering the import business. In the Japan-U.S. economic framework talks, the United States is urging Japan to increase imports of medical equipment. In view of this, the company has recently obtained rights of dealership for a breast cancer scanner from a major U.S. medical equipment manufacturer. In the next five years, the company intends to expand its annual sales of foreign-made medical equipment to 10 billion yen [Y], or 3 to 4 percent of Japan's medical equipment market. As the framework talks make progress, Japanese medical equipment manufacturers are wary of the "narrowing market." Therefore,

other manufacturers are likely to run after Hitachi Medico in order to survive by increasing import business.

As the first foreign partner, Hitachi Medico chose Rolad Corp. [name as published] in Connecticut. According to the Drugs, Cosmetics, and Medical Instruments Law, Hitachi Medico will submit a sales application to the Health and Welfare Ministry to start importing the breast cancer scanner in late October. To expand the import business, Hitachi Medico formed a task force to research prospective foreign companies. The sales division was also reorganized to create manpower to handle imported products. The company is carrying on business talks with several other Western companies to introduce additional products within this fiscal year.

In Japan, Hitachi Medico is known as one of the two largest medical equipment manufacturers, ranking with Toshiba Corp. The company has exclusively dealt with its own products, except those made by its parent company, Hitachi Ltd.

Medical equipment is one of the three priority subjects in the framework talks. In 1978 the government provided a Y20 billion supplementary budget to reduce its trade surplus through the purchase of foreign-made medical equipment, and Japanese manufacturers suffered from an unexpected sales slump. So the business sector is very anxious about the possibilities of a Japan-U.S. framework accord to expand government procurement of foreign-made medical equipment.

Hitachi Medico has decided to start importing business in preparation for a sales decline. Also, the company is aiming at relaxing pressures from the United States by demonstrating its positive attitude toward importing U.S. products. Toshiba also said "We are positive about importing technology we do not have."

The Japan-U.S. negotiations on government procurement of medical equipment are expected to be settled as early as this month since Japan has already made considerable concessions in this field.

Tokyo, Washington Agree on ROK-Type Reactor

OW1309092894 Tokyo KYODO in English 0913 GMT 13 Sep 94

[Text] Tokyo, Sept. 13 KYODO—Japan and the United States apparently agreed Tuesday [13 September] to support using a South Korean-type nuclear reactor system to replace North Korea's Russian-built nuclear reactors.

The two sides reached the accord in a meeting between Robert Gallucci, U.S. ambassador at large, and senior Japanese Government officials from the Foreign, Finance and Trade Ministries, held at the Foreign Ministry.

Japanese officials declined to reveal the details of the one-hour meeting, other than to say the two sides discussed problems involving the light-water reactor system

and that they agreed to continue discussing the matter among the U.S., Japan, South Korea and other relevant countries.

The two sides also reconfirmed the contents of a Geneva deal between North Korea and the U.S. in August, the officials said.

The deal calls for Washington to give Pyongyang modern reactors and some form of diplomatic recognition in exchange for North Korea's promise to freeze its nuclear development program.

"We just heard the U.S. explanations on its policies for the upcoming talks with North Korea to resume Sept. 23," said a Foreign Ministry official. "We (the Japanese side) didn't make any specific commitment."

The official refused to specify which country's light-water reactors Japan supports. Light-water nuclear reactors are safer and less likely to be used to develop nuclear arms than North Korea's graphite-moderated reactors.

But he indirectly expressed Japanese support for South Korean-type light-water reactors, saying Tokyo gives high marks to Seoul's efforts in offering aid to Pyongyang.

A ministry source said the U.S. also basically supports South Korea's light-water reactors.

North Korea, however, has rejected the South Korean offer to provide reactors if Pyongyang comes clean on its nuclear program, calling it "an intolerable insult."

The Japanese and the U.S. sides also agreed on the necessity of international cooperation in providing support to North Korea to replace its old-fashioned reactors, according to the officials.

Gallucci, who led the U.S. delegation to the August high-level talks in Geneva, had his title of an assistant secretary of state dropped Aug. 29 to become ambassador at large and focus on the North Korean issue.

Tokyo Urged To Seek Permanent UNSC Seat

Butrus-Ghali Comments

OW1309081994 Tokyo KYODO in English 0757 GMT
13 Sep 94

[Text] Tokyo, Sept. 13 KYODO—UN Secretary General Butrus Butrus-Ghali on Tuesday [13 September] pressed Japan to seek permanent membership on the UN Security Council and have more say in global issues, Foreign Ministry officials said.

The UN chief made the pitch at a luncheon hosted by Prime Minister Tomiichi Murayama at his official residence.

Butrus-Ghali, who arrived Sunday for a four-day stay, told Murayama that Japan, as a permanent council

member, would secure a greater say in pushing ahead with disarmament and nuclear nonproliferation, the officials said.

Murayama reportedly told Butrus-Ghali that Japanese people are concerned that the nation would be required to shoulder heavier obligations or play a military role once admitted to the council.

The UN chief reiterated that a permanent seat is not bound to military contributions, they said.

The premier also said the United Nations should play its part not only in peacekeeping activities but in such fields as the environment, development and population, according to the officials.

The luncheon was also attended by Foreign Minister Yohei Kono, Finance Minister Masayoshi Takemura, Chief Cabinet Secretary Kozo Igarashi and Japan's UN Ambassador Hisashi Owada.

Yasushi Akashi, a Japanese national who heads the UN peacekeeping mission in former Yugoslavia, was also present as a chief attendant of the UN secretary general.

Takemura expressed concern about the U.N.'s apparent tilt toward peacekeeping activities.

Akashi reportedly defended the stance of the world body, saying it is trying hard to minimize the use of force in its peacekeeping missions worldwide.

"I think it is important for Japan to win a position by which it can have more say," Akashi was quoted as saying.

Murayama made clear that Japan wishes to do all it can within the boundaries of its war-renouncing Constitution, the officials said.

"It is not correct that Japan is passive in UN activities," the premier reportedly said. "We are trying in a forward-looking manner."

More on Butrus-Ghali's Support

OW1309112094 Tokyo KYODO in English 1103 GMT
13 Sep 94

[Text] Tokyo, Sept. 13 KYODO—UN Secretary General Butrus Butrus-Ghali voiced support Tuesday [13 September] for Japan's permanent membership on the UN Security Council [UNSC] with veto powers, saying it would contribute to the reinforcement of the council.

"I believe that participation of Japan as a full permanent member of the Security Council, with the right to veto like all the five permanent members, will reinforce the Security Council and reinforce the role of the Security Council," Butrus-Ghali told a press conference at the Japan National Press Club.

The UN chief, who is on a four-day visit to Japan, also reiterated that Japan will not be obliged to participate in all peacekeeping operations even if it obtains the permanent seat.

"There is no relationship between the membership in the Security Council and the necessity to participate in peacekeeping operations," he said.

"The participation in peacekeeping operations is based on a purely voluntary basis," he said.

The military aspect represents a very small percentage of all UN activities, he said, with 70 percent of its activities related to social, economic development, promotion of human rights, democratization and environmental problems.

The UN head said he thinks Japan is qualified to join the world's elite club not for financial reasons but because it has "political weight."

"I think Japan has the political weight to play a role in international affairs," he said. "And this is more important than financial contributions."

He said, however, that whether or not Japan chooses to seek permanent membership on the Security Council depends on policy decisions by the government and the people.

"My message is that it is in Japan's self-interest...to be deeply involved in the United Nations," he said.

Irish Foreign Minister Comments

OW1309110694 Tokyo KYODO in English 1040 GMT 13 Sep 94

[Text] Tokyo, Sept. 13 KYODO—Irish Deputy Prime Minister and Foreign Minister Dick Spring on Tuesday told Prime Minister Tomiichi Murayama that Ireland supports Japan's efforts to obtain permanent membership on the UN Security Council [UNSC].

In a 20-minute meeting with Murayama, Spring said Japan's presence on the council would help make headway on proposed overall UN reforms, Foreign Ministry officials said.

Murayama responded by saying the United Nations, whose general membership has tripled since its foundation, should be overhauled to better reflect the views of a larger number of countries.

Noting that reforms are required to buttress the UN functions of securing world peace and stability and to enable it to quickly cope with global issues, Murayama said Japan intends to make its own contributions to such reforms.

Spring also lauded the government's same day decision to send Self-Defense Forces on a Rwandan refugee aid mission.

Caribbean Countries 'Favorable'

OW1209125294 Tokyo KYODO in English 1220 GMT 12 Sep 94

[Text] Tokyo, Sept. 12 KYODO—Senior diplomats from Japan and Caribbean countries agreed Monday [12 Sep] on the importance of maintaining the momentum of debates on UN Security Council reforms and make efforts to reach an accord on the problem by next year, Foreign Ministry officials said.

The diplomats from Japan and member nations of the Caribbean Community and Common Market agreed during a meeting at the Foreign Ministry that a general accord on Security Council reforms should be reached by the world body's general assembly next year, which marks its 50th anniversary, the officials said.

Japanese diplomats told participants from the Common Market member nations it is important to strengthen the functions of the United Nations since new global powers have emerged in the 50 years since it was founded, and since the world body is facing mounting global problems.

Concerning Japan's bid to become a permanent member of the UN Security Council, the Caribbean delegation was quoted as saying the Common Market countries regard Japan's bid in a favorable way.

But while the Japanese side indirectly called on the Caribbean countries to voice their support for Japan's bid in their foreign ministerial speeches at the upcoming UN General Assembly, the Common Market side simply asked Japan to wait for the speeches, according to the officials.

Fourteen participants from 11 Common Market member nations, including Common Market Secretary General Edwin Carrington, attended the meeting aimed at boosting mutual understanding between Japan and the Caribbean nations.

The meeting is the second of its kind. The first meeting was held in Kingston, Jamaica in July last year.

The Common Market groups 12 countries and one region in the Caribbean sea—Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Christopher and Nevis, Saint Lucia, Saint Vincent and Grenadines, Trinidad and Tobago, and the British colony of Montserrat.

Turning to the situation in Cuba, the their diplomats called on the country to promote economic liberalization while respecting human rights, the officials said.

They were quoted as saying concessions by both Cuba and the United States are important to solve the problems of refugees flooding into the U.S.

The Japanese side expressed hope that Cuba will promote reforms and democratization in the country and improve relations with the U.S., the officials said.

Also during the meeting, Caribbean diplomats voiced concern that their countries will be left out when the North American Free Trade Agreement (NAFTA) expands and connects with Latin American countries, the officials said.

Kono To Voice Desire for Seat

*OW1309075694 Tokyo KYODO in English 0741 GMT
13 Sep 94*

[Text] Tokyo, Sept. 13 KYODO—Foreign Minister Yohei Kono said Tuesday [13 September] he will express Japan's desire to play a role as a permanent member of the UN Security Council [UNSC] within its constitutional bounds when he makes a speech at the United Nations late this month.

Kono told a press conference that he outlined his ideas about the upcoming UN speech during informal cabinet talks held after a regular cabinet meeting.

There were various opinions among his fellow cabinet ministers on Japan's bid to become a permanent member of the Security Council, Kono said, but added that his ideas were endorsed and that he will now start drafting the speech, due to be given to the UN General Assembly session on Sept. 27.

The draft of the speech will be presented to cabinet ministers during talks after a Sept. 20 cabinet meeting, Kono said.

Kono, also deputy prime minister, said his speech will be in line with an agreement among the three ruling coalition parties on Japan's bid to obtain a permanent council membership.

Kono said he will clarify in the speech that Tokyo will not participate in activities which involve the use of force, as prohibited under Japan's Constitution, but that it will actively cooperate in peacekeeping operations within the constitutional boundaries.

Article 9 of Japan's Constitution bans the threat or use of force in resolving international disputes.

Kono said he will tell the world body that Japan will actively participate in discussions on UN reforms and that it wants to become a permanent council member if that is approved by many countries.

The foreign minister also said he will express Japan's willingness to tackle global problems including disarmament, nuclear nonproliferation, population, human rights, refugees, drug abuse and AIDS.

In his speech, Kono will also call for the deletion of clauses in the UN Charter that defines Japan as an enemy state.

The Charter states in Articles 53 and 107 that enforcement action can be taken against any "enemy state" without the authorization of the Security Council.

The term "enemy states" refers to countries that lost World War II—Bulgaria, Finland, Germany, Hungary, Italy, Japan and Romania.

Kono said it was meaningful that there was much debate over Japan's position on the Security Council among the ruling parties, cabinet ministers and also among the media.

A poll of Diet members taken last week by the ASAHI SHIMBUN newspaper showed that about 70 percent of respondents support Japan's bid for a permanent place on the Security Council.

Kono said the survey was a measure of whether a consensus on the issue has been formed among the Japanese public.

Government Approves Dispatch of Troops to Rwanda

*OW1309030994 Tokyo KYODO in English 0246 GMT
13 Sep 94*

[Text] Tokyo, Sept. 13 KYODO—Prime Minister Tomiichi Murayama's government on Tuesday [13 September] formally approved plans to help Rwandan refugees by dispatching Self-Defense Forces (SDF) personnel on their first overseas humanitarian mission since the end of World War II [WWII].

Foreign Minister Yohei Kono said at a morning cabinet meeting that the Rwandan mission is "extremely important" because it is a new type of international contribution by Japan.

The Japanese mission will consist of 470 SDF troops armed with pistols and rifles and 10 liaison officials. One of the two armored command and communication vehicles will be fitted with a machine gun, officials said.

The SDF personnel consist of 290 ground Self-Defense Force (gSDF) and 180 air Self-Defense Force (aSDF) members who will be stationed in Zaire and Kenya, they added.

The first group of aSDF personnel will leave Japan on Saturday, followed by an advance group from the gSDF on Sept. 21, the officials said, adding that the gSDF contingent will travel to Goma, Zaire to help the refugees.

Japanese military personnel will not enter Rwanda itself, however, as the 1992 UN peacekeeping law bans such entry in the absence of a cease-fire, the officials said.

The Japanese troops will continue their mission until the end of this year to assist in setting up medical and vaccination facilities, purification of water supplies and transportation.

The government's approval of the Rwandan mission came before Murayama's talks in Tokyo with UN Secretary General Butrus Butrus-Ghali, who has repeatedly encouraged Japan to bid for permanent membership of the UN Security Council.

Murayama and other Japanese leaders have maintained that Japan cannot join UN peacekeeping forces.

A team from the ruling coalition—the Social Democratic Party, the Liberal Democratic Party and New Party Sakigake—visited refugee camps in Zaire border areas and inside Rwanda to gather information on the security situation before sending SDF personnel for UN peacekeeping operations there.

The team of legislators, led by Sukio Iwatare, a House of Representatives member from the SDP, recommended an early dispatch of SDF troops to assist Rwandan refugees.

Japan previously sent SDF troops to Cambodia and Mozambique to participate in UN peacekeeping operations there.

Prime Minister Murayama said his coalition government approved the possession of a single machine gun by the SDF mission only after lengthy debate.

"They are not bringing it (the machine gun) with them to use," but will carry it for self-defense purposes, he told reporters.

At the aSDF base in Komaki in Aichi Prefecture, aSDF personnel bound for Africa attended briefings on the Rwandan mission.

The briefings dealt with developments in Rwanda, Zaire and other neighboring countries, base officials said.

SDPJ: Peacekeeping Not Military Activity

OW1209140394 Tokyo KYODO in English 1325 GMT 12 Sep 94

[Text] Tokyo, Sept. 12 KYODO—An unpublished Social Democratic Party [of Japan] (SDP) [SDPJ] document shows the party is embracing peacekeeping force (PKF) activities as an acceptable form of Japanese contribution to UN peacekeeping operations, a document obtained Monday [12 Sep] by KYODO NEWS SERVICE said.

The document says PKF activities are not "military activities with the aim of using force," which are prohibited by the Japanese war-renouncing constitution.

The constitution prohibits the threat or use of force to settle international disputes.

The document defines the range of military actions following an agreement among the three parties of the ruling coalition that Japan would not participate in military activities even if it obtains permanent membership in the UN Security Council.

The Liberal Democratic Party, the SDPJ and New Party Sakigake [Harbinger] agreed last week that Japan should seek a permanent seat in the UN Security Council but should make clear it will not take part in any military activities involving the use of force.

The SDPJ document says the Self-Defense Forces (SDF) operations listed in Japan's UN Peacekeeping Cooperation Law, including the PKF activities, do not constitute such military actions.

The possibility of SDF participation in PKF activities has been frozen only to first enhance understanding and support both at home and abroad for SDF participation in peacekeeping operations in non-PKF areas, it argues.

The SDPJ document, however, rules out Japan's participation in the new peace enforcement troops proposed by UN Secretary General Butrus Butrus-Ghali.

It also shows skepticism about Japan joining the proposed UN Forces based on the UN Charter, saying there are constitutional problems regarding the issue.

On Sept. 3, the SDPJ, at its extraordinary national convention, endorsed the party's draft policy platform that recognizes the SDF as constitutional, reversing its long-time anti-SDF stance.

Quadrilateral Meeting Tied to WTO Inauguration

OW1009005294 Tokyo YOMIURI SHIMBUN in Japanese 6 Sep 94 Morning Edition p 3

[Editorial: "Holding of Quadrilateral Meeting Urged For Inauguration of WTO in January"]

[Text] Trade ministers from Japan, the United States, Canada, and the European Union (EU) will begin a new round of quadrilateral trade talks this weekend. It will be the first session of the quadrilateral talks since final agreement was reached in the Uruguay Round multilateral trade talks on new world trade rules.

To be discussed at the forthcoming talks are the World Trade Organization (WTO), the outcome of the Uruguay Round agreement, and ideals for the future of the world trade system. We hope that ministers of the four nations will confirm their intention to ratify the agreement to set up the WTO by next January as scheduled, and further advance the cause of free trade.

However, there are growing uncertainties over whether the United States and the EU will be able to complete the ratification process by the end of this year. There have been increasing calls in the United States and the EU for trade protectionism, which, if left unanswered, could jeopardize the furtherance of the free trade system as the guiding principle of the WHO.

In the United States, Congress must approve bills for implementation of the Uruguay Round accords before the country can ratify the WTO agreement. Mainly because of fears that U.S. participation in the WTO would run counter to U.S. sovereignty, no bills regarding the proposed new trade body have yet been presented to Congress. Should WTO-related bills not be legislated during the current session of Congress, which is due to finish in early October, the chances of the United States

ratifying the WTO agreement this year will become remote indeed, since mid-year elections are drawing near.

Under growing pressure from members of Congress, whose eyes are on the coming elections, moves are also gaining momentum for WTO-related bills to incorporate clauses for stiffening penalties against foreign companies "dumping" products below cost on the U.S. market. There are also calls for the so-called Super 301 trade legislation, which allows the United States to impose sanctions on countries deemed to be unfair trade partners, to be made permanent.

In Europe, EU member countries and the European Commission have clashed over whether the European Commission should be allowed to act on behalf of EU members in negotiations with other trade partners on trade items other than goods, such as services. The dispute is currently before the European Court.

Since the court is unlikely to hand down a ruling before November, there are fears that EU member countries will be unable to complete ratification of the WTO agreement by the end of the year. Although Germany, which currently chairs the EU, has begun sounding out other EU members about reaching a compromise with the European Commission over the issue, settlement of the dispute still appears far off.

The Japanese Government, for its part, must introduce several bills, including one to revise the Staple Food Control Law, to an extraordinary Diet session, scheduled to be convened late this month, before it can ratify the WTO agreement. There are fears, however, that before the bills can be passed, the government will need time to convince sections of the ruling coalition and farmers' organizations to accept domestic countermeasures in return for their acceptance of the farm trade accords in the Uruguay Round.

On the occasion of the quadrilateral trade talks, Japan, the United States, Canada, and the EU should all reaffirm their determination to ratify the WTO agreement this year by passing appropriate legislation without delay.

Indeed, all countries are urged not to allow concessions to protectionist forces that would compromise the free trade principles of the WTO. Japan and the EU, and still more the United States, are urged to redouble their efforts to fight protectionism with any means available, including steps to rectify trade imbalances. We are keen to see the quadrilateral meeting reconfirm this determination.

On 7 and 8 September, immediately before the quadrilateral meeting, ministerial-level talks in the Japan-U.S. bilateral economic framework negotiations are scheduled to take place. In the talks, the two countries will discuss ways of reaching agreement on priority trade sectors, including government procurement, by the end

of September. Both sides should refrain from attempting to settle the issue in a way that leads to managed trade.

Foreign Minister Yohei Kono and International Trade and Industry Minister Ryutaro Hashimoto will attend separately the Japan-U.S. ministerial talks, and the two ministers will attend the quadrilateral conference. Japan is the only country that will allow its foreign minister take part in the quadrilateral meeting. Kono and Hashimoto, therefore, should take care that their "two-forked diplomacy" does not leave Japan's position in disarray.

Australian Airbase Picked as Shuttle Test Site

OW1309003294 Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Sep 94 Morning Edition p 10

[Text] The Science and Technology Agency [STA] has picked Woomera Airbase in southern Australia as a test site to conduct take-off and landing experiments with the Japanese space shuttle program "Hope" to establish landing technology. This is the first time that Japan has set up a full-scale test base for space research in a foreign country. The agency wants to begin conducting tests next year once agreement is reached with local authorities. Woomera has in the past been used as a rocket launching ground. The choice of this site can be seen as a move to secure an overseas base for embarkation of real Hope flights. It can be used also as an additional site—additional to Tanegashima—to launch rockets in the future.

Woomera Airbase is under the control of the Australian Department of Defense, and the STA has begun negotiations with it on renting the airbase. So far, responses from the Australian Government are said to be favorable.

The STA has also considered using Iwo Jima Airbase; Shimoji-shima Airbase in Irabu, Okinawa; Taiki-cho Air Park in Taiki-cho, Hokkaido; and Christmas Island. But the agency has given up on the candidate sites within the country because of problems in adjusting schedules for military or commercial training flights or in ensuring safety. In the case of Christmas Island, it has been found that its airstrip needs to be extended to be useful. As a result, the agency has picked Woomera Airbase, the existing facilities of which are in good shape.

Automatic landing experiments will be conducted jointly by the STA's National Aerospace Laboratory and the National Space Development Agency [NASDA].

Experimental models weighing about 760 kg each (6.1 meters long and 3.8 meters wide) in one-third the size of real models will be taken up by helicopters to a height of 1,500 meters and let loose at the speed of about 160 km per hour. They then will land automatically using ground control systems.

The STA cites as one of the reasons for picking Woomera the possibility that it will be used in the test landing of actual-scale Hope experimental models to be conducted

in or around 1999. As far as the landing site for real Hope models is concerned, Hokkaido is moving to bring it to itself, but now that it has become certain that the automatic landing experiments will be conducted overseas, it has become likely that the agency will seek to use the overseas site as the landing site base for the real models.

A recent report by the Space Activities Commission (chaired by STA Director General Makiko Tanaka) entitled "Space Development, A Long-Term Vision" has pointed out that with the demand for satellite launches growing, a rocket-launching base should be secured overseas. An official concerned said: "Woomera, with its existing good conditions for launching rockets, can be a prospective candidate for that."

Tokyo Noncommittal Despite OCA's Asiad Statement

OW1209120794 Tokyo KYODO in English 1137 GMT 12 Sep 94

[Text] Tokyo, Sept. 12 KYODO—The Japanese Government remained noncommittal Monday [12 Sep] to a statement issued by the Olympic Council of Asia (OCA) to retract its invitation to Taiwanese President Li Teng-hui to the Hiroshima Asian Games' opening ceremony next month.

Vice Foreign Minister Kunihiro Saito told a press conference Japan confirmed the OCA has issued the statement which said no person affiliated with the political world would be invited to the games except those from host Japan.

But Saito said it is "inappropriate" to interpret the meaning of the statement.

He added he does not know whether the statement was issued as a result of an agreement at the tripartite talks among the OCA, Taiwan and China.

The OCA sent an invitation in July for Li to attend the Oct. 2 opening ceremony of the Asiad.

China has threatened to withdraw from the games should Li attend while the Taiwanese side has reacted strongly against the Chinese move, urging Japan not to knuckle under to Beijing's pressure.

Japan has maintained a "one-China" policy since it reestablished diplomatic relations with Beijing and severed official ties with Taiwan in 1972, limiting contacts with Taiwan to nongovernmental economic and private-sector levels.

Tokyo's Compromise

OW1209145094 Tokyo KYODO in English 1434 GMT 12 Sep 94

[Text] Tokyo, Sept. 12 KYODO—The government decided Monday to allow three officials from Taiwan, including Deputy Premier Hsu Li-te and Education

Minister Kuo Wei-fan, to attend opening ceremonies for the Asian Games in Hiroshima next month, informed sources said.

China, which considers Taiwan a breakaway province, has threatened to boycott the Oct. 2-16 games if Taiwan's President Li Teng-hui attends the opening ceremonies at the invitation of the Olympic Council of Asia (OCA).

Tokyo, Taipei Disagree on Car Import Ban

OW1209141894 Tokyo KYODO in English 1348 GMT 12 Sep 94

[Text] Tokyo, Sept. 12 KYODO—Japan and Taiwan failed Monday [12 Sep] to iron out their differences over a Japanese demand for lifting Taiwan's ban on Japanese car imports, Japanese Government officials said.

In working-level talks with Taiwanese trade officials, the Ministry of International Trade and Industry (MITI) urged Taiwan to abide by the rules of the General Agreement on Tariffs and Trade by scrapping the ban.

Taiwan's offer to ease the ban but refusal to accept the Japanese demand was seen as unsatisfactory by the Japanese side.

MITI officials said the Monday talks discussed other obstacles Taiwan has maintained against imports besides the car import ban, but no agreement was reached on any of them.

Tokyo, EU To Hold Seminar on Competition

OW1309093894 Tokyo KYODO in English 0908 GMT 13 Sep 94

[Text] Tokyo, Sept. 13 KYODO—Japan and the European Union (EU) will hold a seminar in Brussels Friday to promote the policy of bilateral competition, Japan's Fair Trade Commission (FTC) said Tuesday [13 September].

The seminar, the second of its kind following one in Tokyo last November, will mainly deal with deregulation and competition.

FTC Chairman Masami Kogayu will head the Japanese delegation at the seminar, the FTC said.

Tax Panel To Complete Reform Outline 19 Sep

OW1309062194 Tokyo KYODO in English 0607 GMT 13 Sep 94

[Text] Tokyo, Sept. 13 KYODO—A tax reform project team of the ruling coalition parties decided Tuesday [13 September] it will complete a reform outline next Monday, a week later than originally planned, officials said.

The outline will be submitted to a cabinet session next Tuesday for endorsement, they said.

Completion of the group's work, originally scheduled for Tuesday, had been postponed until Friday and then to Monday due to the need to further adjust views among ruling parties.

Tax Cuts, Tax Increases Urged

*OW1209164094 Tokyo KYODO in English 1506 GMT
12 Sep 94*

[Text] Tokyo, Sept. 12 KYODO—A ruling coalition task force on tax reforms Monday [12 September] called for implementing tax cuts and a raise in the consumption tax in a package.

In an interim report on its debate on tax reforms, the task force recommended that the scale and the timing of the consumption tax rate hike be specified in a package of tax laws, which would also include permanent tax cuts.

Although the tax panel failed to propose how much and when the currently 3 percent consumption tax should be raised, coalition sources said many officials expect a hike to 5 percent from fiscal 1996 or 1997.

The 5 percent rate, however, is apparently not a ceiling since the report urged that the rate, even if specified by laws, can be reviewed by the time of implementation of the hike.

The sources said some government officials want a hike of 1 or 2 percent on top of a 5 percent rate in the future to secure financial support for Japan's aging society.

The panel's report was submitted to Koichi Kato, who chairs the ruling coalition's policy coordinating committee, earlier in the day and will be discussed Tuesday between Finance Minister Masayoshi Takemura and officials of the coalition's three member parties in charge of tax reforms.

It said many of the task force members favor the idea of cutting taxes by two ways—through trimming income and residential tax rates and overhauling the progressive taxation system, criticized as causing an unfair tax burden on middle-income earners.

Kato Comments on Tax Reform

*OW1209121094 Tokyo MAINICHI SHIMBUN in
Japanese 10 Sep 94 Morning Edition p 1*

[Text] Hiroshi Kato (Keio University professor emeritus), chairman of the government Tax Commission, granted an interview to MAINICHI SHIMBUN on 9 September and commented on the issue of ongoing tax system reform which revolves around the extension of income and residency tax cuts currently in effect and an increase in the consumption tax. He said: "Tax cuts should be implemented in line with reviewing the tax system including revamping the progressive taxation structure. Tax cuts and hike should be included in a single package of tax reform bills." Kato's comments put

a check on arguments that have emerged among the ruling coalition parties that tax cuts and hike should be handled separately or that tax cuts should be implemented through a "double-tiered" process. Kato plans to compile a set of recommendations to that effect at a plenary session of the government Tax Commission to be held very shortly. Therefore, an unusual situation can be expected to develop in which the ruling parties and the government Tax Commission may find themselves at odds, depending on the ruling parties' final decision.

In debates conducted so far by the ruling parties' tax system reform project (ruling parties' tax commission), the points at issue have been the following: 1) whether to include tax cuts and hike in a single package of tax reform bills or to treat them separately; and 2) whether to implement tax cuts by revising the current system of income taxation or under a "double-tiered" process combining such a revision with fixed rate tax cuts.

In contrast, Tax Commission Chairman Kato criticized the ruling parties' tax commission, saying: "To treat tax cuts and hike separately means to put off the tax hike. This is an irresponsible attitude." As to the double-tiered process regarding tax cuts, Kato pointed out there is a problem, saying: "The focal point of the ongoing tax system reform efforts resides in reviewing the ratio of direct to indirect taxes. The double-tiered concept veers off widely from the genuine goal of reform efforts." Should there be strong resistance among ruling parties against a consumption tax hike, Kato said: "We should first start off with a neutral package of tax cuts and hike [zogenzei churitsu] around a 5-percent level. After that, we can consider further tax hikes as a source of revenue for welfare funds in preparation for our aging society." He thus hinted the possibility of implementing tax hikes in two stages.

As soon as the ruling parties finish compiling their outline of tax system reform, the government Tax Commission plans to hold a plenary session and submit a set of its recommendations. The ruling parties plan to work out their outline as early as 16 September, and the government Tax Commission is likely to hold a plenary session around 20 September.

Two-Tier Income Tax Cut Endorsed

*OW1309110494 Tokyo KYODO in English 1005 GMT
13 Sep 94*

[Text] Tokyo, Sept. 13 KYODO—Finance Minister Masayoshi Takemura said Tuesday [13 September] he has agreed with the ruling coalition parties on a two-tier method for multiyear income tax cuts in planned year-end tax reform.

But leaders of the three ruling coalition parties must meet to fill the gap on "two to three" issues before a project team compiles a tax reform outline by next Tuesday, Takemura told reporters after a meeting with the head of the coalition's policy coordinating committee.

Takemura said he agreed with the committee chairman, Koichi Kato, to conduct multiyear cuts in national personal income and local residential taxes with the two-tier method, comprising a unified tax cut and overall reform in the progressive levy system.

Critics of the progressive levy system say it places an unfair burden on middle-income taxpayers.

On Monday, the coalition project team presented an interim report to Kato, featuring majority support for the two-tier method and an inclusion of the tax cuts and a consumption tax hike, to finance the cuts, in a single package of reform bills.

But differences prevailed over the share for the method, Takemura said, although he added the overall scale worth 5.5 trillion yen a year for the tax cuts is "a consensus already."

During the summit of the Group of Seven industrialized nations in Naples in early July, Prime Minister Tomiichi Murayama vowed to realize "comprehensive" tax reform by year-end, including multiyear tax cuts at the same scale as the 6.2 trillion yen now limited to the current year.

The single-year tax cuts comprise 5.5 trillion yen in income and residential taxes on a uniform 20 percent tax cut basis, and 700 billion yen in inheritance and other tax cuts.

Takemura did not disclose other remaining gaps among the three ruling parties.

But party sources said despite the majority voices in the project team, the parties are still split on whether to include a consumption tax hike in the same package of bills with the tax cuts and how much to raise the current 3 percent sales tax.

Takemura said he stressed the need to submit the reform package at an extraordinary Diet session expected to convene in late September or early October and quoted Kato as saying he wants to compile the tax outline before Foreign Minister Yohei Kono leaves next Wednesday to attend the UN General Assembly meeting in New York.

Technically, the government must submit the package at an early stage of the Diet session to complete legislative procedures by the year-end.

The finance head said he hopes the reform outline will become a final policy for the coalition with no objections from party leaders and members arising later.

He was apparently referring to ongoing contradictory comments by party leaders.

Asked if he made any concrete proposals, Takemura said he stressed the need to secure funds to cover the multi-year tax cuts and repay stopgap deficit-covering bonds worth 13 trillion yen to be issued for the tax cuts in the current year.

He also pointed to administrative and fiscal overhauls to limit the consumption tax hike, and a vision of financing welfare spending for Japan's aging society.

Neutral, Combined Tax Reform Urged

942A0681A Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Sep 94 p 2

[Editorial: "Neutrality of Tax Revenues, Uniform Treatment of Income and Consumption Taxes Are Premises of Tax Reform"]

[Text] Coalition party debate on tax system reform is about to reach a conclusion, but it appears that difficulties are being encountered on coordinating on the question of whether to handle income tax cuts and future consumption tax hikes in a combined package or as separate actions. We advocate the following:

1. Limit the provisional income tax cut to this year and implement a permanent tax cut by reducing the tax rates applicable to the progressive income tax structure.
2. Treat tax system reform as a combined package by specifying future consumption tax timing when reducing income taxes.
3. Apply the "tax revenue neutrality" principle in decreasing and increasing taxes, when deciding on the consumption tax rate hike.
4. Revise consumption taxes primarily by eliminating tax benefits based on simplified taxation procedures.
5. Implement at an early date combined income taxation to include the implementation of a taxpayer identification number system to provide for more complete taxation of interest and dividend payments.
6. Prepare and execute a concrete fiscal cost-reduction program covering administrative and fiscal reform actions.

Measure 1 can be considered as having the support of public consensus. Certain quarters in the coalition parties argue for limiting the hike in the consumption tax rate and the permanent tax cut by separating the tax cut into a permanent tax cut and a fixed-rate tax cut, but that action would not be appropriate in view of the current tax reform effort's goal of correcting the imbalance between direct and indirect taxes.

Measures 2 and 3 are the object of split opinions within the coalition parties, but we believe, as consistently advocated since last year, that the two major principles of tax reform consist of "tax revenue neutrality" and a "combined package approach." The recent tax cut represented the use of tax system reform as an economic measure, and combining future tax increases provides for the formulation of complete tax system reform.

In this sense, arguments to separate tax cuts and hikes can only be labeled as irresponsible and aimed at delaying tax system reform. A hike in taxes in fiscal year

1997 at the earliest probably represents appropriate timing in view of economic trends.

Now, the question is how much the consumption tax should be hiked. I advocate that tax cuts and tax hikes be balanced.

If income and residential tax cuts after next year are to be set at about 6 trillion yen (this year's special tax cut was just over 5.4 trillion yen), sufficient offsetting tax revenues can probably be realized by increasing the consumption tax rate by two or three points.

There is no basis for effecting a real income tax hike by setting the consumption tax rate above 7 percent as advocated by the Ministry of Finance. The reason is that the ultimate impact of social security-related expenditure growth cannot be determined at this time, which is the case with effects of administrative and fiscal reform. We need to devote more time to analyzing and determining the distribution of fiscal burdens for the future aging society.

The fundamental revision of unfair tax systems is also an important issue for the current tax system reform. We should embark on an early study to revise the consumption tax system in terms of eliminating tax benefits and shifting from the current bookkeeping-based calculation to invoice-based calculations, as well as shifting from separate taxation to combined income taxation on assets-derived income.

At any rate, we must not condone cries for restraining or avoiding a consumption tax hike. We ask that the coalition parties engage in discussions that are based on firm footings.

Timely Economic, Tax Reforms Urged

942A0675A Tokyo MAINICHI SHIMBUN in Japanese
3 Sep 94 p 5

[Editorial: "It Is Irresponsible To Delay Economic and Tax Reforms"]

[Text] The coalition government Tax System Reform Team is currently working to compile a concrete plan for tax reform with a target date of the middle of this month.

However, a concern is the strong mood within the coalition parties to delay the package. In addition to tax increase and decrease actions, the issue of tax reform encompasses a number of principal government policy matters such as fiscal spending cuts, reductions in public corporation employees, deregulation, disposition of the 21st century welfare vision, and incremental increases in the basic public works program. In other words, it plays a pivotal role.

If serious debate does not take place on tax reform, all relative issues will be relegated to a status in which none are handled responsibly.

We can definitely appreciate the time constraints faced in passing tax reform plans during the special Diet session. Priority will be given to the lower house electoral redistricting bill, the pension reform bill, and the new multilateral trade negotiation (Uruguay Round)-related bill, and it appears that only the intervening one or two weeks can be allocated to deliberating the tax reform bill.

However, if we are to pursue a responsible form of government, we should make a bold effort to overcome time constraints. It is regrettable that we see no sign of a serious attitude. Rather, we merely hear admissions that "it is already too late." If that is not the case, we would ask that a renewed effort be made to cope seriously with tax reform.

There are numerous arguments concerning tax reform. The question is whether we are aiming for tax revenue neutrality or a net tax increase in effecting tax increases and decreases. We must seek a solution to diverse goals such as a correction of the direct and indirect tax systems; establishment of a balanced tax system in terms of income, consumption, and property taxes; elimination of unfair tax systems; and actions to cope with an aging society.

A review of fiscal and administrative factors is indispensable in that tax reform encompasses a review of the status of cost burdens. Tax reform must be accompanied by administrative and fiscal reform aimed at reducing government costs.

In his general policy address, Prime Minister Murayama confirmed these viewpoints and promised to "conduct comprehensive debate on reform, seek the understanding of the public, and strive for realization of tax reform within the year." The mission of the coalition parties and the government is first to conduct a public debate of tax reform, to expand the public's knowledge of the topic, and to develop a consensus.

Cuts in public corporations are an important topic of administrative and fiscal reform which is the basis for tax reform, but the Liberal Democratic Party [LDP] and the Social Democratic Party of Japan [SDPJ] are negative about and show signs of disarray with respect to the "Sakigake [Harbinger] plan" to privatize or discontinue 25 public corporations. Prime Minister Murayama must exercise leadership and create a uniform position out of the situation. The LDP must free itself of regressive opposition party mentality and reposition itself as a responsible political party.

Unless the government takes a serious stance on each of the pending reforms, it will fail to gain the understanding of the public, the bureaucrats will take advantage of the situation, and deregulation could very well become an empty promise. And, we will lose the confidence of foreign nations.

A tax cut has already been implemented without a provision for offsetting fiscal resources. We cannot condone irresponsible government that fails to deal seriously with the unavoidable tax system reform issue. If

the government is going to opt for a delay in tax system reform, it should justify its reasons to the public.

Some in the LDP assume the optimistic approach that "we'll make a decision after seeing how much tax revenue grows." However, if commodity prices decline and actual economic expansion falls below nominal growth projections, it would be risky to expect a rise in tax revenues.

If the government persists in the current tax cuts, which are dependent on deficit financing, confidence in government fiscal discipline will diminish, and we cannot guarantee that the markets will not rebel in the form of higher interest rates.

Murayama Concedes 'Crushing Defeat' in Election

OW1209063394 Tokyo KYODO in English 0554 GMT 12 Sep 94

[Text] Tokyo, Sept. 12 KYODO—Prime Minister Tomiichi Murayama on Monday [12 September] conceded defeat of his coalition government in Sunday's parliamentary by-election in central Japan, while the opposition camp hailed it as fueling its move to form a single new party.

"It was a crushing defeat," the premier told reporters at his official residence. "I accept the result humbly and will try again."

Former Labor Ministry bureaucrat Yuzuru Tsuzuki, backed by all noncommunist opposition parties, won 931,936 votes in the House of Councillors election in Aichi Prefecture, easily defeating former United Nations official Jiro Mizuno, supported by the three ruling coalition parties, who got 544,637 votes. Voter turnout was 42.87 percent.

"It was regrettable. Our late start is to blame. In addition, we could not spell out the differences (in policies between the ruling and opposition parties)," Murayama said.

Wataru Kubo, secretary general of Murayama's Social Democratic Party [of Japan] (SDPJ), said he believes the first election cooperation among the three ruling coalition partners "moved in a good direction."

Kubo said the coalition parties—the SDPJ, the Liberal Democratic Party (LDP) and New Party Sakigake, an LDP splinter group—will try to use the lessons learned from the poll.

For the Murayama government, the defeat in the first Diet election since its inauguration in June was a setback in its bid to ensure political stability in Japan, which has undergone a change of government three times in the past year.

The opposition camp's landslide victory is expected to accelerate moves toward a grand alliance of forces rivaling the ruling coalition.

All opposition groups, except the Japanese Communist Party, have agreed in principle to merge into a new party, fielding some 190 members in the 511-seat House of Representatives, to win back the reins of power from the 294-member governing coalition.

"With this as an impetus, we'll move ahead toward a new party," former Prime Minister Toshiki Kaifu said late Sunday night. Kaifu, an LDP defector, lost to Murayama in a Diet premiership election in June.

"The voters' judgment encourages us," echoed Tsutomu Hata, another opposition leader who was prime minister until he was ousted by the coalition formed by the conservative LDP's surprise alliance with its former archrival SDPJ.

"We'll put all our energy into forming a new party, in which the people are investing high hopes that it will persistently pursue reform and conduct responsible politics," Hata told a joint news conference with opposition leaders Sunday night.

The election was held to fill a vacancy created last month after the incumbent Shoji Shinma was stripped of his seat for falsifying his academic record during the last election campaign.

*** Effect of Ozawa-Style Politics Analyzed**

942B0140A Tokyo SHOKUN in Japanese Aug 94 pp 38-45

[Article by Ittetsu Hoshi, political journalist: "Why Ozawa Syndrome Is Spreading"]

[Text] There is a monster prowling about in the middle of political chaos. However, let's try to see the figure with the name "Ozawa" removed.

Parodying the wording of the *Communist Manifesto*, which says, "A monster has appeared in Europe—it is the monster of communism," we might say, "A monster has appeared in Nagata-cho—it is the monster of Ichiro Ozawa." Marx seems to have been a person who liked to surprise people unexpectedly with a serious joke. He deliberately tried to spit venom in the *Communist Manifesto* and questioned the attitude of the bourgeois class. Or rather, it seems that perhaps he stimulated them more than necessary and caused them to be engrossed in their own struggle.

The existence of Ichiro Ozawa, secretary general of Shinseito [Japan Renewal Party], somewhat resembles this. His defiant attitude never sags. He stimulates the other party more than necessary. He boasts without reason and will not yield. So, he is feared most by other people as "a strong arm" or "coercive." In that sense, he fully qualifies as the specter of Nagata-cho.

Two or more years ago, Masaya Ito and Shigemitsu Hayasaka engaged in the following conversation.

"Ozawa is the champion of the 'reformists.' There is no one else. No one can be found to counter the 'conservatives.' Won't he be isolated and besieged?"

"The only ace remaining is Ozawa."

"There is a fear that if he properly undertakes it, he conversely will be besieged and annihilated."

"He is sticking out more and more. He has become a solitary cedar tree in a field. The wind is blowing from all sides."

"Since Ichiro is running too much ahead, there is envy and a danger that he will be driven to an untimely death."

Of course, he has not yet been driven to "an untimely death," but he is soaring like "a solitary cedar tree in a field" and glaring rays radiating with power are shooting at him from all directions. For that very reason, he is viewed with respect and has become a target of resentment. In other words, his very existence is "a point of contention." Such a politician is not very common. Should he be compared to former prime minister Kakuei Tanaka? He is a fellow who simultaneously embodies the light and shadows that usually haunt the occupation of "politics."

"There is not a day when something about Ozawa is not heard in Nagata-cho. Good or bad, it centers on Ozawa. He embodies together the former roles of Noboru Takeshita (former prime minister) and Shin Kanemaru (previous LDP vice president)," an LDP elder points out. The Ozawa disease is spreading. Ozawa himself realizes that "everyone has been surprised, but the media is doing business by writing about me."

It is not easy to analyze such a person. So, first, let's try to observe him from outside of the whirlpool that his existence is creating.

Yohei Kono Entrapped

The existence of Ozawa causes an allergic reaction. Adverse effects also are great like anticancer drugs that show remarkable results. The typical example showing these powerful allergy symptoms is Yohei Kono, LDP president.

"Coercive political methods, such as cutting down the gang members who went with him to bury the treasure as they are returning over the bridge." "It was the Ozawa cabinet itself that wrote a scenario which the Hata cabinet could not surpass." "Many of the people, far from expecting reform, cannot hide the feeling of perilous dread." (12 May 1994 in representative questioning)

"Political methods that fan a sense of dread, preach threats, and try to prevail upon the people." (7 February 1994, in Tachikawa city)

"Intimidating methods that will end up isolating us in the world if we do not do something." (19 October 1993)

Kono is not angry with his strategy or tactics. He is angry about his sincerity. This is all the more annoying. Previously, he criticized the Kakuei Tanaka style of plutocratic politics, left the LDP, and formed the Shinjiyu Club [New Liberal Club], but conceit that he has come through an anti-Tanaka faction and anti-Takeshita faction is felt at the basis of his Ozawa criticism and Shinseito criticism now.

However, though the launching of the Shinjiyu Club was accompanied by a critical attitude of the LDP overall, in terms of dynamics within the party, it became an attack on the performance of Takeo Miki, who had promoted reform at the time, and it must not be forgotten that, as a reaction to that, it brought about the ironic result of using the anti-Miki Tanaka camp. This time too, while Kono has appeared as a "reformer," he aided the conservatives within the party because he has ended up just fighting the Hosokawa coalition regime and "Ozawa politics."

I absolutely think that Kono is a person who lacks strategic judgment. In any case, considering it good to fight the course of Ozawa, he has been occupied with criticism of Ozawa and did not take up political reform head-on in the political situation last year when political reform was an urgent need. He was caught in the "Ozawa trap," and though the party boss of the number-one party in the House of Representatives, he still could not show "Kono politics."

Another pitiful victim of the Ozawa syndrome probably is Seiroku Kajiyama, the previous LDP secretary general. Recently, he has been active in the "LDP-Social Democratic Party of Japan [SDPJ] coalition" as a post-Hata regime due to the death of the Hata regime, but he had been confined to purgatory for the eight months of the Hosokawa regime. His name hardly appeared in the newspapers at all. It seems ages ago that he was acting freely as the control tower of the LDP at the end of the Miyazawa regime.

The rating by Kanemaru of "peacetime Hata, turbulent times Ozawa, and great turbulent times Kajiyama" that already has become a hackneyed saying in Nagata-cho seems not necessarily to have hit the mark. Kenzo Uchida, a political commentator, considers Kajiyama to be "an army sergeant type of tactician, not an army general type of tactician." In the political reform situation at the end of the ordinary session of the Diet last year, his sin was great because, unable to decide the main issues, it ended up in an unexpected defeat for the LDP regime which had continued for a period of 38 years. (From a different standpoint, the view probably holds good that he was a great success in causing the demise of LDP politics.)

The problem is that his principles of behavior during that time were not even based on the calculations of a

cool tactician. With the prolongation of the "Ichi-Roku [Ichiro Ozawa and Seiroku Kajiyama] war" since the Takeshita faction, he ultimately became obsessed by his deep-seated "Ozawa hatred" grudge and his uppermost thought was to drive down Ozawa and drive out the Hata-Ozawa faction. Even Kajiyama, who should have been one of the few people who could rival Ozawa in the "power-play political situation" within the LDP, was blinded by symptoms of having contracted the "Ozawa disease," doubted the information he heard with his own ears, and above all, was paralyzed in his ability to judge the situation. If Kajiyama had undertaken the political reform situation directly without regard to Ozawa, he should have found a way not to lose political power.

The LDP is filled with victims of the Ozawa disease. Many others besides this can be cited, but we will stop because they are endless.

It has probably been the SDPJ which has tasted a fiery ordeal since the birth of the Hosokawa regime. Though all of it is not the fault of Ozawa, there has not been one time that they have refused easy compromise as a result of Ozawa sitting plunk in the middle of the "Representative Council" which is the decision-making institution of the coalition regime.

Mental Anguish of SDPJ

To begin with, I believe that in the basic policy agreement of the coalition regime at the end of July 1993, the SDPJ, which originally said that it was opposed to the single-seat electoral system, promised that "realization within the year of political reform with the single-seat electoral district proportional representation coexistence system as the nucleus" was all right. The "agony" contained in that promise was forgotten in the intoxication of directly joining the formation of a cabinet and having six SDPJ cabinet members appointed.

Ultimately, although the SDPJ executives consented, it seems that there was no awareness of the seriousness of accepting the single-seat electoral system, not even on the Diet member level where there should have been division, not to mention among the grassroots party members. Nothing probably would be more insincere than if they understood and did not oppose it, or it cannot help but be called Machiavellism of wanting political power.

The appearance of rebellion in the final situation of the political reform bill voting (there were two crises in the House of Representative and House of Councilors) was because of the inability to understand the Ozawa-type rationalists. If that were the case, wouldn't it have been better to oppose the agreement before taking political power? There is no evidence that the rebels were waging their lives in opposition, and there was no move to leave the SDPJ out of disgust. Nevertheless, in the very end, it was not the SDPJ, but Ozawa and (then) Prime Minister Morihiro Hosokawa who felt extreme agony dealing with the rebellion.

The same has been repeated in other matters also, but viewing the first (?) association with the SDPJ, even when there was consistency from initial agreement to final decision, the SDPJ, while being agreeable at first, when the final decision came, if it was unfavorable with the situation in the party or the trend of public opinion, the SDPJ would harp (if I dare use a bad word) on unfair demands. The policy to recompose the coalition and omit the SDPJ in the post-Hosokawa regime was because Ozawa had experienced that several times in the representative council.

However, that is the story viewed from the Ozawa side. Viewed from the SDPJ side, Ozawa's individual demands appeared to be extortion. For example, the SDPJ was confronted with a definite answer of yes or no on the Uruguay Round agreement involving partial opening of the rice market, and it constantly swallowed whole the residue of the coalition regime as a consuming principle. That settled like dregs in the depths of the minds of SDPJ Diet members.

Also regarding the consumer tax problem, they pushed back in a tag match with Masayoshi Takemura, (then) secretary general, on the sudden concept of a "public welfare tax," but ultimately they were made to commit to an increase in indirect taxes by a post-Hosokawa regime agreement.

The tumult of formation of the unified group "Kaishin" occurred in the midst of this repeated heavy psychological pressure. It was a fierce backlash because the SDPJ had not heard about it in advance. Interestingly, there were the words "violation of faith," which the SDPJ cried in criticism.

As opposed to this, Ozawa was completely unconcerned about self-reflection on the formation of Kaishin. Regarding SDPJ withdrawal from the coalition, he says, "It is strange if Kaishin is considered the cause. The causes were the inherent policy problems and it was difficult to overcome them. The group problem is no more than an occasion of that" (press conference on 10 May). It is a very rationalist interpretation. He has not tried to understand the psychological sediment that piled up since SDPJ Diet member participation in the coalition.

As opposed to this, voices were heard within the SDPJ directly after withdrawal from the coalition that "it is really refreshing," or "the reaction of prefectural coalitions is good; distrust of Ozawa politics was mounting." Withdrawal from the coalition brought a catharsis to the SDPJ which had been greatly tormented up to then. It is easy to say that they will be able to govern if they are released from mental anguish, but....

Of course, while the SDPJ has been forgotten, there has been a lineup toward the "new new party" which Ozawa has constantly pursued in the meantime. There is also a sense of crisis (justifiable in its own way) that, far from robbing the existing base within the SDPJ coalition, it

may be plotting the obliteration of its existence. If that is the case, the SDPJ backlash chiefly was only on an emotional level in probably being a method of refutation. I believe that the anti-Ozawa sentiment that had accumulated so much in the past was strong.

Well, since we can't just keep going around the periphery of the whirlpool, let's consider the problem of Ichiro Ozawa right in the center of the whirlpool.

Ozawa left a strong impression throughout the hearings on the Lockheed scandal, which began in Tokyo District Court on 27 January 1977 until six years later when the first trial ended on 13 May 1983. There is great interest in what Ozawa was thinking as he sat in a corner of that cold courtroom.

Fighting With Kakuei Tanaka

He says, "Emotionally, I wanted to be in the same place with my only boss" (Ushio Shioda, *GEKKAN ASAHI*, July 1990). Was it just such a weak feeling? If his aim were for Kakuei Tanaka to notice him and praise him as a "devoted fellow," he probably would not have stayed for the whole hearing. Aside from what the result would be, wasn't Ozawa during his frequent visits observing Kakuei Tanaka the man, Kakuei Tanaka the politician, Kakuei Tanaka the hero, who was branded a power of evil, and Kakuei Tanaka who was all of these? It was probably close to a fighting skill to go through that observation.

A very important issue in postwar politics has been the problem of Kakuei Tanaka. However, there has never been a commentator or even a politician who has tried to fight as hard with the constitution of Tanaka. If there is a secret to the later transformation, self-renewal, and leap by Ozawa, wasn't it this Ozawa-style "courtroom fighting."

He arrives at the very common sense conclusion that the prototype of Ozawa politics is "Tanaka-type politics," but it was Ozawa who clearly recognized the light and shadow of Tanaka politics, Kakuei Tanaka as a politician who should be imitated, and Kakuei Tanaka as an object that should be surmounted.

Incidentally, Takeshita has imitated and conquered Tanaka politics by a completely different method. Even Tanaka was forestalled by Takeshita around the time when he ventured to form the Soseikai in 1985. It was done by a shrewd combined force of Takeshita-Kanemaru because Tanaka unexpectedly had been mentally sentimental and careless. It is interesting in that sense that both Ozawa and Takeshita have become worthy opponents either despite coming from the same roots of Tanaka politics or because of the very fact that they have the same roots. If you get to the bottom of the fundamental opposing axis of the political situation even now, it is composed of a contest of strength between the two.

What has Ozawa carried over from Tanaka politics? This has a diverse range, but from the viewpoint of the political situation, it comes down to belief in "the logic of numbers" and "the power of numbers." It is a very simple and clear principle that in a democracy decisions are made by "numbers." Other justification and logic are important, but he believes that, all in all, there will be no power without numbers. The aspect of "numbers poisoning" where numbers are sought like an obsession cannot be denied.

As an extension of that, he also is a believer in "power." That is also a reason why he has been criticized as "coercive" by anti-Ozawa advocates such as Kono. Even in *Blueprint for Building a New Japan* [Nihon kaizo keikaku], Ozawa seeks "strong leadership," admonishes "the capricious dispersion of power," and criticizes that "what has brought about the obstructed situation in politics today is due to the danger of not exercising power."

From such thinking, no matter how much Kono expresses criticism of "coercive politics," it is not understood. Rather, speaking as Ozawa, although President Kono should have carried out party reform using the authority and power that he had, because he only adhered strictly to "what will not split the party," he ended up being unable to do anything. Even former Deputy Prime Minister Masaharu Gotoda, who supported him, says "he was a disappointment." Moreover, while giving priority to not splitting up, the reality was that members left the party one after the other, and the LDP, which had 223 seats after the general election, now has declined to a force of 206 seats. What purpose did the "no split" course serve?

In the middle of May, a conference was held with Ozawa, former prime minister Yasuhiro Nakasone, and former deputy prime minister Michio Watanabe in attendance. At that meeting, Ozawa cited five people whom he respected in the history of Japanese politics.

They were retired Emperor Gotoba, Orita Nobunaga, Toshimichi Okubo, Shigeru Yoshida, and in addition, Yasuhiro Nakasone. Since the last person, as readers may surmise, probably was mentioned with the objective of flattery, no comment on him will be made at this time.

Retired Emperor Gotoba was enthroned after the Taira fled the capital, but is known for having ruled as a closet emperor for the first time when he became a retired emperor after abdicating the throne. Perhaps Ozawa liked the point that he created a system where he could exercise substantially more power than a formal position. Orita Nobunaga was a unique hero. He is probably positioned as a person who opened up a new age by thorough destruction of past order. Toshimichi Okubo is accepted as the person who was intent on solidifying a power base in the Meiji Restoration government, which was uncertain whether it should be right or left, and as a result, he was felled by an assassin's dagger. Shigeru Yoshida did not even appear at cabinet meetings if he

did not so desire, but he resolutely carried out reform believed to be necessary for the defeated nation of Japan.

In *Blueprint for Building a New Japan*, he cites in addition Hirobumi Ito and Takashi Hara. What they had in common is that both had the advantage of being feared, but "since they are people of the same era, they decidedly were not able to obtain high scores." The form of "Ozawa politics" that surfaces from the image of the people that Ozawa respects naturally is not something acceptable to the public. Rather, he has the threatening attitude of why should he bother with public opinion.

Kansai Housewives' View of Ozawa

However, the reaction of the general public has been interesting so far. On a radio broadcast at the beginning of June, a telephone survey was taken, saying "Let's settle the matter between Ichiro Ozawa versus Masayoshi Takemura. We would like to ask housewives which they would have as a husband." Contrary to the author's expectations that there would be an overwhelming victory for Papa Troll, it was 55 percent for Ozawa and 45 percent for Takemura.

The question method was Kansai style and surprising, but unexpectedly, it also inferred what housewives in general think about politics. From the woman's view, it is no good for a politician just to be understanding and it seems that they believe that authoritative strength like Ozawa's is necessary at times. That being the case, the political image of "strong politics" which Ozawa advocates has a basis that is unexpectedly accepted. That is probably the reason why the book with hard details, *Blueprint for Building a New Japan*, has sold close to 1 million copies.

More than anything, the distinctive feature of this book is that it contains powerful passages by Ozawa. He puts out in front his own thinking and says, "criticize if you will." Such an "ideological precedence type" politician is rare in Japan. Ozawa's existence, as far as the political world of Japan is concerned where there are many "conciliatory type" politicians like Takeshita and the former prime minister Zenko Suzuki, is precious, and intense friction is also generated for that reason.

"Having become secretary general, Ozawa viewing coolly what to do now is completely different from the public image, but actually he is trying to achieve modernization of politics.... His concepts are always legalistic and logical" (previous citation, GEKKAN ASAHI).

Former Japan Defense Agency Director General Koichi Kato, who now has an antagonistic relationship with him, values to a certain extent the point that he is logical. That Kato makes the analysis that "Ozawa is like a person who removes the leaves and limbs and protects the trunk. He thinks of himself as the secretary general type, but he is actually the prime minister type."

Insofar as it is an assessment by a person who has opposed Ozawa and fought with that pressure day and

night, contrary to expectations, it hits the mark. Of course, Kato does not go along with Ozawa's theory of "strong leadership." As ideal leadership, Kato makes the division of "efficient leadership that emphasizes results" and "leadership that takes some time, but that emphasizes forming a consensus," and naturally, he gives the nod to the latter.

However, being Kato, it is difficult to discover differences in individual policy matters such as the tax system, sanctions on North Korea, or U.S.-Japan negotiations. Rather than policy disputes, "whether or not they are on friendly terms" is considered the index of whether they can do it together. It seems that he speaks for the feelings of politicians who cannot give logical explanations on Ozawa-type policies and ideology.

That being the case, a separation can be made between people acquainted with Ozawa in the past and those acquainted with Ozawa later. Moreover, in addition, his group of friends has disappeared and there has been an antagonistic reaction with a difference of 180 degrees. On the one hand, considering that there may be some people who maintain strong comradery with Ozawa such as Prime Minister Tsutomu Hata, Shinseito Acting Secretary General Kozo Watanabe, and Shinseito executive Hajime Funada, on the other hand, former comrades Kajiyama, Hiromu Nonaka, and Kishiro Nakamura have turned around and become complete opponents.

On that point, there is a big difference with Prime Minister Hata, who is acquainted with everyone and scorned no one. Ozawa does not permit noncommittal acquaintances. That may be the reason why that causes constant severe allergic symptoms in the other parties.

Propagation of Clones

However, that does not mean that Ozawa is gradually losing allies. It is hardly a matter of how to point them out, but a typical example is acting Komeito chairman and secretary Yuichi Ichikawa who creates the so-called "Ichi[ro] - [Yu]jichi line."

Recently, there has been former Prime Minister Hosokawa. Hosokawa previously advocated a "moderate multiple party system," and although he has joined the Takemura liberal line, since he abandoned Takemura's action at the time of the national welfare tax concept as "treachery," he has taken sides with Ozawa's "two major parties system." He joined the Ozawa side in everything with the inauguration of "the large unified group concept," the "new new party," and "Kaishin," which became the direct cause for the breakup of the coalition.

Both Ichikawa's assertions and Hosokawa's words and actions are the same as if stamped with Ozawa's seal. Ozawa has propagated clones with good genetic engineering where a genetic makeup of identical cells like identical twins has been created artificially.

There is also a strange feeling why. One key to explaining it is Ichikawa's statement that "criticism of force or coercion has not once come from the five people (coalition ruling party representative council) who actually came to consult him. One of Ozawa's strengths is demonstrated in very small political situations. Ozawa's position ultimately always wins in situations such as conferences with a small number of people to obtain consensus, confirmation of option to seek a judgment, and a package of documents to make public. It is difficult to judge whether that is overbearing strength or due to logic that seems to come from his original aspiration to be a lawyer, but in any case, it is a fact that Ozawa excels in deciding the moment.

Policy Rather Than People

It is perplexing how to handle the existence of "Ozawa" in Nagata-cho. He is on par with "the god of plagues" for politicians who are pitted against Ozawa politics.

Why has he generated such a psychological mechanism? When Shinseito House of Councilors member Sadao Hirano was invited to the United States at the beginning of May and gave a lecture, he pointed out that "Japanese politics is a repetition of grudges and repose." He also stated that "The chaos in Japanese politics today is caused by the grudges of the controlling class from the disintegrating 1955 order. How this will be calmed and ended is through political reform."

Indeed, the strength of the criticism of Ozawa by politicians who are infected by the Ozawa syndrome is proportionate to the depth of those grudges. For that reason, it seems to have gradually gotten off the inherent track of politics.

In the first place, in politics there is the sphere of "big politics"—what to do about policy themes (national policy)—and "small politics"—the whole art of guile to obtain decisive power and leadership in such national policy.

During the past few years, political reform, which has become the biggest theme, has belonged to "small politics" in the preparation of the arena and substructure for conducting politics. It is unusual that six years have been spent on only such an extent. We should quickly dispose of "small politics" problems and undertake with great speed the "big politics" that inherently has been assigned to politics.

Actually, the "coercive politics" or "double power" that account for almost all of the Ozawa problem are "small politics" problems. Arguing from that perspective, it cannot be included in a study of policy problems that are inherently "big politics." Even if included in the argument, the coercive position of Ozawa will end up not being accepted even if sound.

Therefore, it is necessary to reverse the order of debate and what should be of concern. Whether considering the consumption tax issue or sanctions on North Korea, we

should first try to put out our own opinion. It is enough to later compare it with Ozawa's opinion. If they agree, opposition will not be created by that and even if they do not agree, a feeling of resentment against Ozawa will probably not appear more than necessary. That is the way to get extricated from "grudge politics."

In "The Politics of Control," Max Weber divides man's methods of political behavior into *sachlich* (behavior) (following the reasoning of things) and *personlich* (controlled by the words and actions of other people). In Japanese politics, the "who said" style human element wins too much. The *sachlich* thinking and behavior style where policy matters are considered philosophically and the pros and cons of things in it are considered is to be sought. When that is realized, the "Ozawa syndrome" in particular problems probably will disappear for the first time.

Kubo Interviewed on SDPJ Policy Change

OW1309021694 Tokyo AERA in Japanese 5 Sep 94 pp 15-16

[Interview with SDPJ Secretary General Wataru Kubo by editorial staff member Shunji Taoka; place and date not given]

[Text] [Taoka] It must be quite a job to explain to party members and supporters the sudden shift of policy by the Social Democratic Party of Japan [SDPJ] on national security since the Murayama government has come into existence.

[Kubo] No, I do not think our policy changed only when Prime Minister Murayama responded to questions in the regular Diet session. Discussion has been ongoing in the party since 1986 when (Masashi) Ishibashi was the chairman. Also, last year, during the process of drawing up a draft for the "'93 Declaration" (a proposal which stated that minimum defensive power was constitutional which was drafted, but not adopted), we discussed what our policy as a party in power should be. It would have been better if the prime minister from our party assumed office once the matter had been settled, but government power fell to us before that happened. Still, this was an issue we had to solve sooner or later. So it was a natural outcome.

We Have Not Abandoned the Doctrine of Disarmament

[Taoka] But when you advocate a policy which differs from a doctrine you have long upheld, do you not invite mistrust from inside and outside the party?

[Kubo] As long as he is the head of a coalition government, it is impossible for him to insist that his own ideology was his policy. Some people suggested that he should separate his positions, one as the head of the coalition and another as party leader. But I believe that such separation of positions in one person is not permissible. I also told Mr. Murayama that he should not

change his response according to the audience. The prime minister agreed with me completely.

We did not abandon our idea. A world without armaments is the objective of all human beings. The policy is a process to achieve the concept from a realistic base. The fact that disarmament is one of the things with which our party is identified has not changed.

[Taoka] To achieve disarmament at once may not be realizable. But will the idea be reflected in the next midterm defense improvement plan to be adopted next year?

[Kubo] There are three elements: The international situation, Japanese public opinion, and the strength of the SDPJ within the coalition government. We must analyze these three factors comprehensively and must press on for realistic disarmament. These conditions determine the degree of progress. We will go as fast as we can, but I think it will be a moderate speed.

[Taoka] Prime Minister Murayama expressed his intention to uphold the Security Treaty. It also seems that he intends to give priority, despite the tight budget, to increasing our share of expenses for the U.S. Forces in Japan. Both in other places and in the United States itself, U.S. Forces are in the process of downsizing. But because Japan will increase its share of expenses covered, the size of U.S. Forces stationed in Japan will have a tendency to increase. It seems to be backwards to, today, when the Cold War is over, increase funds to aid foreign forces stationed here. The U.S. Government wants to cut down the size of its military because of financial difficulties. Would it not be a positive move to suggest that they should also decrease their forces stationed in Japan?

[Kubo] I agree. But we must consider it in the context of the total U.S.-Japan relationship. We are cautious on the increase of our share of expenses. But there is also the factor of economic friction, as you know.

Japan To Be on Equal Terms With the United States

[Taoka] Are the U.S. Forces stationed in Japan serving the purpose of alleviating economic friction? The Americans in general, and many congressional representatives, are increasingly unhappy that they send their military to protect Japan, while Japan is making economic inroads into the United States. I do not think they are too appreciative even though we support the U.S. Forces in Japan at the cost of 13 million yen [Y] per person.

[Kubo] As you say, it may not directly contribute to an alleviation of economic friction. The issue of the share of expenses for the U.S. Forces in Japan has, in the past, taken an undesirable turn for us. But there were historical circumstances. So both countries must do their best to reach agreement as to when the reduction of the U.S. Forces in Japan is to be carried out. I have absolutely no

anti-American feeling. However, I feel we should maintain a relationship in which we can talk to each other on an equal footing. The "firm maintenance of the U.S.-Japan Security Treaty" [as Prime Minister Murayama stated it] had too strong a "security" nuance. We should try to maintain good U.S.-Japan relations, but at the same time should try to gradually reduce its characteristic of being primarily a military alliance.

[Taoka] By the way, the SDPJ once interpreted the Constitution to say that the Self Defense Forces were unconstitutional. But today, it takes the position that they are constitutional. If you can change an interpretation simply by claiming that the situation has changed, then you could also restrict basic human rights such as freedom of speech under some emergency situation through a revised interpretation. That is dangerous. If the law does not suit the actual situation, then would it not be more logical to change the law, rather than the interpretation?

[Kubo] You are right. Once Prime Minister Nakasone declared that "the government in power at the time should interpret the law." I said that was dangerous thinking. I am more in favor of a "basic law on national security" which will supplement the Constitution. When we were the opposition party, we argued about what we should not do, using the Constitution as a shield. Now, in reverse, we are considering what we should do and, to carry that out, we must stringently set conditions. Those conditions are not to institute a draft, not to send troops overseas, to maintain defense forces only, and so on.

[Taoka] "The basic law on national security" is merely a law like the Self Defense Law. It can be easily revised. Since that is the case, revising the Self Defense Law would easily fulfill the purpose. But some feel, rather, that attaching restrictive articles to the Constitution would satisfy every one.

[Kubo] The uncertainty and mistrust about Japanese military power have not been completely erased in our neighboring countries. So it could become a source of worry for them if we were to start meddling with our Constitution. It is a different case from countries such as Germany, where the Constitution has been aggressively revised. The Japanese Constitution is a law based on ideology. We must examine whether revising the Self Defense Law would suffice, or a "basic law" would be better to show our position to other countries.

[Taoka] What is your opinion on replacing the nuclear reactors in the Democratic People's Republic of Korea (North Korea) with light water reactors, which produce less plutonium which can be used for nuclear weapons? There is likely to be strong resistance to assist with this plan, which would cost several hundred billion yen of Japanese taxes.

[Kubo] Japan, the United States, and South Korea should discuss ways to eliminate the worry about the North Korean nuclear program. Although the United

States and North Korea are in a state of truce, they have negotiated and even agreed to open a representative office. It is a problem that Japan's own negotiations remain broken off. We must take a positive part in diplomacy. The usual order is to have negotiations, open diplomatic relations, and then provide aid. As for Japan and North Korea, it is important that, first, representative offices be opened in Tokyo and Pyongyang to conduct negotiations concerning aid and so on. We will not like it if the United States and North Korea decide what should be done and Japan has to pay for it.

Three Way Fight in Single Seat Districts Likely

[Taoka] Lastly, I would like to ask if you can cooperate with the LDP in elections under the single seat election district system.

[Kubo] The appointment of the prime minister came first, then an agreement was reached by the three party's leaders for the current coalition. But there was absolutely no agreement on a re-arrangement of the political world or on election cooperation. I do not think it likely that we could cooperate in the future in the same manner as we did in the Upper House re-election in Aichi Prefecture. Because each district is for a single seat, the election will be fought between parties. It is doubtful that we could barter one district for another. The LDP and the SDPJ have run candidates in all districts and battled against each other. That was how it was organized. It would be difficult to support the LDP in some select areas.

[Taoka] Then the SDPJ will try to be a third force.

[Kubo] Yes. There is the possibility of a three-way race; the people who want to regenerate the LDP, the group formed by those who left the LDP and the middle-of-the-roaders, and the SDPJ. If the SDPJ, the DSP, and the Liberals can unite, it is very possible that the election will be a three-way race.

* SDPJ Ratifies Murayama's Policy Shift

942A0623A Tokyo SHUKAN ASAHI in Japanese 12
Aug 94 p 146

[Article by Yuzuru Tsuboi, political reporter: "SDPJ Central Executive Committee Also Confirms 'Prime Minister Who Swallows Things Whole': Self-Defense Forces Are Constitutional; Japanese Flag, National Anthem Are OK"]

[Text] One and one-half hours passed without anything of special interest. It was the 28 June meeting of the Social Democratic Party of Japan's [SDPJ] Central Executive Committee. It was in a conference room on the fourth floor of party headquarters in Miyakezaka. About 20 members of the Central Executive Committee, with relieved expressions on their faces, went on deciding on the biggest change since the formation of the party: "The Self-Defense Forces are within the framework of the Constitution," "the rising sun flag is the national flag,

and *Kimigayo* is the national anthem," and "we recognize atomic generation of electric power that is currently in operation."

Opinions emerged that: "I recognize the rising sun flag, but *Kimigayo* is no good. The children cannot sing it any more, and the teachers and PTA are against compelling them to sing it." and "Should not we suggest establishing a new national anthem?" However, from the very beginning there was no atmosphere of vetoing the actual change in policy line. One of those who attended explains it like this. "The Central Executive Committee is the last act. Debate had been exhausted at a meeting of the Drafting Subcommittee (chairman: General Secretary Wataru Kubo) the day before, so we only confirmed that."

But that did not mean there was heated discussion that shook the policy line, even in the drafting subcommittee. In regard to defense spending, debate on such things as revising the draft, which said "to restrain the growth rate for the previous fiscal year" to "below the previous fiscal year," and inserting the phrase "normalization of Japan-North Korea relations," continued for three hours. There were conflicting views even on such things as reform of the tax system and the assessment of the Murayama government. Even so, it was not enough of a debate to put a brake on the change in policy line.

An influential executive who is a member of both the Drafting Subcommittee and the Central Executive Committee explains it this way.

"After all, the chairman (Prime Minister Tomiichi Murayama) pushed it and made the changes in policy. We only laid the foundation." In short, the prime minister's explanation in the Diet ended up ordaining the party's guiding principles. On the day after the prime minister explained in the Diet that "the Self-Defense Forces are recognized by the Constitution," right-wing faction officials, who had tried for a long time to promote within the party the "thesis that the Self-Defense Forces are constitutional" and had not succeeded, made a show, on the day after Murayama's explanation, of jesting that "we have already become a conservative faction," but their true feeling was heavy.

It is now being said within the SDPJ that "the LDP was wise."

They are words that call attention to the situation that the fact that the LDP, which tried desperately to return to power, gave priority to cooperation, not with the right wing of the SDPJ, which was close to it in policy, but with the distant left-wing faction, made possible the SDPJ's change in policy line. It means that because the ones who supported Prime Minister Murayama were the left faction and moderate faction, whose feeling of resistance to the change in policy line was strong, they had to swallow the change.

"The fact that Murayama became chairman was also because the voice of the provinces, where the left-wing

faction is strong, were superior in number. In the last analysis, Shinseito [Japan Renewal Party] Secretary General Ichiro Ozawa and his associates, unable to divine that, carelessly approached the right-wing faction, and repeated the same error any number of times."

"If the prime minister had emerged from the right-wing faction, the current change of policy line would absolutely not have become a reality."

More than one left-wing Diet member points this out.

* SDPJ Criticized on Rapid Policy Shifts

942A0599A Tokyo SHUKAN JIJI in Japanese 13-20 Aug 94 pp 39-41

[Article in "Minoru Morita's Political-World Periscope" column by Minoru Morita: "Will the Socialist Party's Overly 'Unprincipled' Major Change of Direction Be Tolerated?"]

[Text] The 1955 setup that was based on rivalry between the Liberal Democratic Party [LDP] and the Social Democratic Party of Japan [SDPJ] came to an end in two stages. The first stage was the 29 June formation of the LDP-SDPJ coalition Murayama government. The second stage was the SDPJ's change of direction based on a series of statements by Prime Minister Murayama from 18 to 22 July at an extraordinary session of the Diet. At the first stage it was criticized as an illicit union, but because of the SDPJ's great change at the second stage, the difference between the the LDP and the SDPJ on policy disappeared. The SDPJ completely assimilated and integrated with the LDP. The change in direction based on Prime Minister Murayama's statements consists of the following six points.

The first is a change of posture toward the Japan-U.S. Security Treaty.

In the early 1950's the Japan Socialist Party [JSP] split into left and right factions over a conflict involving the peace treaty with Japan, but it was in agreement on opposition to the Japan-U.S. Security Treaty. The basic policies when the left and right factions of the JSP united in 1955 were the two major policies of opposition to rearmament (the Japan Self-Defense Forces) and opposition to the Japan-U.S. security setup. The 1959 split (formation of the Democratic Socialist Party) occurred because of a conflict related to the 1960 revision of the Japan-U.S. Security Treaty. The JSP, which was the majority faction, developed a big campaign in opposition to revision of the security treaty. Following that, the party continued for a long period of about 30 years to firmly maintain its position of opposing the Japan-U.S. security setup.

In the 1990's the SDPJ's posture of opposition to the security setup softened somewhat. In the FY91 campaign platform it became "we value our amicable relationship and diplomatic relationship with the United States, and aim at a solution by discussion based on

diplomatic negotiation," and in the FY92 campaign platform it became "we will strive to create an international environment in which the Japan-U.S. Security Treaty will not be necessary," but it consistently maintained a negative posture.

In discussions on the basic policies of the coalition government, the SDPJ compromised to the point of "carrying on the Japan-U.S. Security Treaty," ("Eight Party Memorandum," 29 September 1993) and "maintaining the Japan-U.S. Security Treaty" ("Items of Agreement Related to Establishment of the New Coalition Government," 29 June 1994), but it made no move to accept "firm adherence." That changed completely with establishment of the Murayama government, and it spelled out "firm adherence."

The second is that it recognized the constitutionality of the Self-Defense Forces.

The SDPJ thesis that the Self-Defense Forces violate the Constitution has been a party policy ever since the Self-Defense Forces began. That posture did not change even after entering the 1990's, when the party began to display a softer posture toward the Japan-U.S. security setup. It clearly stated in the FY91 campaign policy that "We consider it to also be obvious that the current Self-Defense Forces is an entity that violates the Constitution," and in the FY92 campaign policy that "The existence (of the Self-Defense Forces) is a violation of the Constitution."

Even after the Social Democratic Party of Japan participated in the Hosokawa government, in SDPJ cabinet ministers were replying in the Diet that: "As the SDPJ's view, we think that the existence of the current Self-Defense Forces is a violation of the Constitution." On 20 July Prime Minister Murayama changed the history of the SDPJ by stating positively the thesis that the Self-Defense Forces are constitutional.

The third is acceptance of the rising-sun flag and the national anthem, *Kimigayo*.

The SDPJ has supported opposition by the Japan Teachers' Union, with which it has a relationship of support and cooperation, to Education Ministry promotion of "displaying the rising-sun flag" and "singing *Kimigayo* in unison." The party had continued to adopt the posture that "The rising-sun flag and the song *Kimigayo* should not be forced upon all Japanese as the national flag and national anthem," but Prime Minister Murayama also summarily changed that.

The fourth is disavowal of the policy line of unarmed neutrality.

Unarmed neutrality was a first-principle-type basic principle of the Socialist Party. In the FY91 campaign platform it clearly stated that "We will firmly maintain the basic principles of total disarmament, demilitarization, no alliances, and neutrality." At an extraordinary convention in the same year it praised highly the end of

the U.S.-Soviet cold war and passed a resolution to the effect that "A situation is being born in which the demilitarization principle of the Japanese Constitution will become a reality." Prime Minister Murayama abandoned this basic principle.

The fifth is that the party changed its existing posture in regard to 1) introduction of airborne warning and control system aircraft (AWACS); 2) Pacific Rim joint military exercises by Japan, the United States, South Korea, and so on (RIMPAC 94); and 3) defense of sea lanes to a distance of 1,000 nautical miles, on which it had been opposing the LDP up till then, and accepted the LDP policy line.

The sixth is the change to tolerance of atomic generation of electric power.

Prime Minister Murayama stated that, "when one considers the demand for electric power, certain facilities are unavoidable," disavowing the existing SDPJ policy that "we will not accept new establishment of facilities or enlargement of facilities."

This series of statements by Prime Minister Murayama should be called a great conversion for the SDPJ. A certain member of the party said to me: "No stands are left which are suitable for the SDPJ."

The change of direction by Prime Minister Murayama means that the SDPJ, which until now was a minority faction, has accepted the majority faction (public opinion), and this fact will itself be supported by many Japanese. We can probably also say that the SDPJ's change of direction is a historical necessity.

But there is much doubt about the way in which the change was made. A political party's basic principles are a public pledge of that party to the people, and a sacred contract between the party and the people (supporters). To change this by one word from the chairman is too careless a way of doing things from the viewpoint of democracy within the party. If it is a democratic party, before establishing an LDP-SDPJ coalition government it must decide by debating openly before the public, at a party convention or a regular party agency which substitutes for that.

The big conversion of the SDPJ had a great impact on political circles, and it also included the public's bewilderment at the unprincipled way of life of that party called the Social Democratic Party of Japan. The SDPJ's all too unprincipled way of life should not be pardoned.

* New 'Diet Executive Council' Established

942A0568A Tokyo SHUKAN JIJI in Japanese 30 Jul 94
p 105

[Unattributed article: "The Ruling Parties Have Established Their Decisionmaking Organs, Such as the 'Diet Executive Council'"]

[Text] On 4 July the three ruling parties—the Liberal Democratic Party [LDP], the Social Democratic Party of Japan [SDPJ], and New Party Sakigake [Harbinger]—discussed the ruling camp's decisionmaking system and founded the "Diet Executive Council" which is to participate in decisionmaking in the whole gamut of state affairs. They also decided to install the "Representatives Conference" as the supreme decisionmaking organ. In making the decision, the three parties formally stressed the democratic nature and transparency of the decision-making system, saying that, during the Hosokawa and Hata governments, decisions tended to be made behind "closed doors" through the "Ichi-Ichi" [Ichiro Ozawa-Yuichi Ichikawa] initiative, that is, the initiative of Shinseito [Japan Renewal Party] Secretary General Ozawa and Komeito Secretary General Ichikawa."

The ruling camp's Diet Executive Council is made up of 20 upper and lower house members—10 from the LDP, seven from the SDPJ, and three from Sakigake. The council holds sessions on Tuesday and Friday every week to discuss items related to the whole gamut of state affairs. Concerning its operation, the following principles were confirmed: 1) no majority decision will be enforced; the greatest importance will be placed on forming consensus of opinion; and 2) participation by observers from the three parties will always be approved in order to achieve openness. At the outset, the LDP was allotted 12 executive posts in proportion to its Diet seats, but the party voluntarily decreased the number of its council members, saying that "for smooth operation, a party should not occupy more than half of the posts" (Secretary General Mori).

Standing above this "Diet Executive Council" is the Representatives Conference of the ruling parties. This conference is to be considered the highest decision-making organ, and it is made up of 11 members, including LDP Secretary General Mori, SDPJ Secretary General Kubo, Sakigake Secretary General Hatoyama, and three delegates from the Diet Executive Council. Its session is opened on Monday every week to make ultimate decisions on items approved by the ruling parties' "Diet Executive Council." On Monday, this session is followed by a liaison meeting between the leaders of the government and the ruling parties. Regular members of this meeting are: from the side of the ruling parties, all members of the Representatives Conference; and from the side of the government, Prime Minister Murayama, Chief Cabinet Secretary Igarashi, Deputy Prime Minister and Foreign Minister Kono, International Trade and Industry Minister Hashimoto, Finance Minister Takemura, and Deputy Chief Cabinet Secretary Sonoda—two from each of the SDPJ, the LDP, and Sakigake.

As to the establishment of these organs, the ruling camp says that "through their democratic operation, we can enhance our openness as well" (Mr. Hatoyama). However, with the LDP and the SDPJ still carrying their basic policy differences, there is no predicting whether the organs will function as originally intended.

* High-Level Political Maneuvers Discussed

942A0597A Tokyo SEKAI in Japanese Sep 94 pp 188-189

[Article by "Inside Line" chief editor, Takao Toshikawa, in "Inside Nagata-cho" column]

[Text] The Godfather of the New Coalition Government

On the afternoon of 22 July Prime Minister Tomiichi Murayama called on former prime minister Noboru Takeshita at his private office in the TBR Building in the vicinity of the Diet, and obtained advice about Murayama's visit to the Republic of Korea, which was to begin on 23 July, and his meeting with President Kim Yong-sam. An explanation was given to the effect that the "just cause" for Prime Minister Murayama's visit to Takeshita's office was because Takeshita currently still holds the post of chairman of the Japan-ROK Legislators Association [Nikkan Giren], but hardly anyone related to Nagata-cho accepts that at face value. It was a performance to call attention to the fact that the reinstatement by the Liberal Democratic Party [LDP] of Takeshita, who was victorious in the "Third Takeshita-Ozawa War," over the recent "June coup," is going according to schedule, and that "Takeshita's rehabilitation" is hitting its stride. It is said that the day before he was designated as prime minister in the lower house (28 June) Murayama made a telephone call to Takeshita's residence in the Daizawa section of Tokyo and said, "I do not have the self-confidence to go to the summit," showing at the last moment reluctance about accepting candidacy for prime minister of the LDP, Social Democratic Party of Japan [SDPJ], and Sakigake [Harbinger], but that Takeshita encouraged Murayama, saying, "I will put 'Hashiryu' (Ryutaro Hashimoto, minister of international trade and industry) at the summit, so don't worry." It is believed that Takeshita exercised influence via Hashimoto even in the formation of the cabinet at the time of the start of the new coalition government. In addition, Finance Minister Masayoshi Takemura, the cabinet minister who is now attracting the most interest in Kasumigaseki, visited Takeshita's residence on the afternoon of 2 July, the third day of the new government. When you consider that together with the fact that on that same night Jiro Saito, vice minister for administrative affairs, and the rest of the four top officials of Ministry of Finance secretly visited and talked with Takeshita, it appears that immediately after Takemura assumed the post of minister of finance, Takeshita attempted to mend the relationship between Takemura and the Finance Ministry's top officials, which was rumored to be stormy. It is said that on 15 July Takemura gave a banquet for two former prime ministers, Toshiki Kaifu and Tsutomu Hata, and LDP vice president Keizo Obuchi in return for having them be promoters of a party to celebrate his own 70th birthday, and moreover, that on the 18th, when dining at Ginza's "Kitcho" with 17 members of the financial world, there

occurred a conversation in which he ostentatiously displayed power, saying with a grin: "I am not doing it (the birth of the Murayama coalition government)."

"Alienation From Ozawa" Within Shinseito

It is said that former LDP secretary general Seiroku Kajiyama, the shadow producer who was moving behind the scenes in the drama of the birth of the Murayama government, who, as former prime minister Noboru Takeshita's chief of staff, took command of the strategy against (Ichiro) Ozawa, put it this way: "(In order to cut off Ozawa's political life) we will not lay down our arms until June of next year. If we (the LDP) are an old pond, they (Shinseito [Japan Renewal Party]) are a new pond; water has not soaked into the ground sufficiently, so it will dry up completely if the drought continues. We will not loosen our grip until then..." The forces of the former coalition government are aiming at formation of a new new party by the end of September, and decided that for the present they would display in front the "San Fleches" (three arrows) of former prime ministers Tsutomu Hata (president of Shinseito), Morihiro Hosokawa (president of the Japan New Party), and Toshiki Kaifu (soon to assume leadership of the Koshikai), but Shinseito Secretary General Ichiro Ozawa has been placed "outside the loop" even in regard to promotion of this plan. Even just within the scope of what has been reported, criticism of Ozawa within the Shinseito has become overt lately, and not only former transport minister Keiwa Okuda, former Defense Agency director Kazuo Aichi, and former Economic Planning Agency director Koichiro Aino, but even Shinseito former acting secretary general Kozo Watanabe have begun to criticize "Ozawa methods." About the only ones who even now, as close followers, render devoted service to Ozawa, whose sense of isolation is growing stronger, are former Defense Agency director Keisuke Nakanishi and former vice minister for transportation Toshihiro Nikai. Former chief cabinet secretary Hiroshi Kumagai's "alienation from Ozawa" is undisguised; he has told a reporter with whom he is on close terms, "I can no longer go on working together (with Ozawa). There is no path but to back up Hata." Now, when the heat is fierce, Ozawa is supposed to be staying in London. I wonder what he is thinking.

Komeito and the Tokyo Gubernatorial Election

Komeito chairman Koshiro Ishida declared that he would cooperate with the "San Fleches" (the three former prime ministers: Tsutomu Hata, Morihiro Hosokawa, and Toshiki Kaifu) of the opposition-party coalition which is supposed to form a new new party by the end of September. But it appears that the Komeito's "situation in the master's house" is not that simple. The reaction against Secretary General Yuichi Ichikawa, who pursues the "Ichi-Ichi [Ichiro Ozawa-Yuichi Ichikawa] line" is considerable, and in particular, a brake was put on the party's tilt toward Shinseito by the women's section and youth section of Soka Gakkai, which is the base of Komeito support; and the advent, at the party

convention which is scheduled for November, of a setup with Takenori Kanzaki as chairman and Akihiro Ota as general secretary is seen as certain. And it is said that the matter of greatest interest to Komeito at present is actually next spring's Tokyo gubernatorial election. Komeito is now in the position of a quasi-governing party in the Metropolitan Assembly because in the last gubernatorial election it was taken in by (then) LDP secretary general Ichiro Ozawa, and supported former NHK chief editor Hisanori Isomura. It is said that Noboru Takeshita, the behind-the-scenes mastermind of the new coalition government, who knows Komeito's "situation" of wanting to make a comeback by any means as a ruling party, is secretly considering Secretary General Yukio Hatoyama of the new party Sakigake [Harbinger] as a gubernatorial candidate whom Komeito could accept. Takeshita appears to estimate that if it is Hatoyama, who as deputy chief cabinet secretary in the Hosokawa government had a good reputation even in the former coalition governing parties, Komeito will also give the "OK" sign. Naturally, there is no objection in the LDP, SDPJ, or Sakigake. In this connection, recently there was a gathering of the families of Hatoyama and Bridgestone's Ishibashi, and it is said that in regard to the idea that Hatoyama equals the Ishibashi family, they made an arrangement by common agreement that in the future they would raise up as a politician, not former labor minister Kunio Hatoyama, but Yukio Hatoyama.

Longest Postwar Capital Spending Cut To End

*OW1309121094 Tokyo KYODO in English 0854 GMT
13 Sep 94*

[Text] Tokyo, Sept. 13 KYODO—The downward pace in capital spending by major Japanese companies has rapidly eased with emerging signs that the longest postwar slump has bottomed out, despite a sharpening contrast among industries, the Japan Development Bank said Tuesday [13 September] in its survey report.

Corporate plans for capital investment fell 2.4 percent for the current fiscal year from the previous year, after posting the biggest ever 11.4 percent yearly drop in fiscal 1993 and a 7.4 percent decline in fiscal 1992, the bank said in the semiannual survey conducted in early August.

Capital spending remains sluggish with the planned fiscal 1994 investment marking the third straight year of declines, but moves toward recovery were seen in some industries, notably in electrical machinery and automakers, a bank official said.

The survey of 3,010 major companies, of which 2,748 firms or 91.3 percent responded, showed manufacturers planned an average 4.0 percent year-on-year reduction in capital spending for fiscal 1994, which ends next March.

The electrical industry planned an average 19.6 percent increase after the 15.9 percent decline in the previous year, with producers of electronic parts such as semiconductors up a remarkable 33.1 percent, and with automakers planning a minor 5.3 percent reduction, compared with a 36.9 percent cut in fiscal 1993.

In contrast, raw materials industries are still expecting sharp declines, with planned investment by the paper and pulp industry down 21.6 percent and that by steel-makers down 10.4 percent.

Nonmanufacturers planned a 1.6 percent cut in capital spending for fiscal 1994, compared with a 4.5 percent reduction in fiscal 1993.

Motivation for capital spending has shifted somewhat from beefing up production capacity to upgrading products, rationalization and saving energy, and research and development, the bank official said.

The official mentioned the yen's rise in the currency market as one of factors weighing on capital spending at home.

The survey showed manufacturers increased their capital investment overseas by 18.1 percent in fiscal 1994, with electronics makers up 18.5 percent and automakers up 38.3 percent.

While declining to predict figures in the next fiscal year, the official only said the present trend may continue for some time.

For fiscal 1995, which starts next April, many companies refrained from making projections at present due to remaining uncertainties, with only 1,630 firms responding, the bank official said.

Corporate plans by the respondents posted an average 1.4 percent year-on-year decline for fiscal 1995, with those by manufacturers down 4.3 percent and nonmanufacturers down 0.7 percent, the survey showed.

Murayama Views EPA Report on 'Economic Recovery'

*OW1109050894 Tokyo MAINICHI SHIMBUN in
Japanese 10 Sep 94 Morning Edition p 11*

[Text] On 9 September, Prime Minister Tomiichi Murayama commented on the Economic Planning Agency's monthly economic report, which has declared that an economic recovery now exists. Murayama expressed a restrained view on the "economic recovery," saying: "It means that we can see some bright signs, rather than an economic recovery." Explaining this statement, Murayama said: "We have a foreign exchange rate problem. Also, capital investment remains sluggish." He made these remarks in response to questions from a group of reporters at the prime minister's official residence.

Editorial Urges Budget Role in Economic Renewal

*942A0674A Tokyo NIHON KEIZAI SHIMBUN in
Japanese 3 Sep 94 p 2*

[Editorial: "Put Budget To Use Revitalizing Economy"]

[Text] The next fiscal year budget is a landmark budget in terms of the role it will play in putting the economy on

a long-awaited path of full-scale recovery and in improving the economic structure. We would like to see the Murayama administration avoid the situation in which it allows the zoku [groups of Diet members who exercise policymaking expertise and contacts generally acquired through service as chairman or vice chairman of the appropriate party policy deliberation committee] Diet members and bureaucrats to completely control the important work of compiling the budget, and instead to exercise leadership in revitalizing the Japanese economy based on a continuation of tax cuts and development of new business activities in the information telecommunications sector.

We see signs of brightening prospects for the economy based on improvements in consumer spending. The stimulative effects of the tax cuts were much greater than anticipated by the fiscal authorities. However, the basic Japanese economic structure is not so strong that it will automatically recover in the absence of policy actions.

Price reform has the effect of increasing the real income of consumers. On the other hand, sales remain in the doldrums and corporate executives remain pessimistic. The risk remains that debt deflation will persist. The insecure employment outlook is spreading and there is concern that it may have an impact on the critical consumption picture. We are facing a situation in which we cannot neglect measures to be taken in the fiscal, tax, and financial policy areas.

In addition, while Japan lags in disposing of its residual problems associated with the collapse of the bubble economy, it has fallen behind the U.S. economy in leading-edge sectors such as information telecommunications. Fast-growing Asian nations have developed industrial production infrastructures which are equal to that of Japan. The budget compilation process must play an unprecedentedly important role in rehabilitating the Japanese economy.

In the past, very little thought was given to the economy in compiling the basic budget, and economic countermeasures were addressed in the supplementary budget process. That approach led to delays in effecting economic recovery. We must not repeat the same mistake.

We need not mention that tax revenue growth is feeble and fiscal resources are limited. The rough budget estimate requests for the next fiscal year total 76.571 trillion yen, reflecting an increase of 4.8 percent over this year's initial figures. The initial question is, how can we cut unnecessary expenditures? We must work for a thorough implementation of administrative reform and deregulation, and government must discontinue services that are no longer essential.

It is about time to change budget allocations, such as shifting public works investments to projects concerning residential needs. A pending political issue is a restraining of defense spending in the face of the post-cold war world.

Budget cuts of that nature must be combined with clear-cut economic stimulus actions in the budget for the next fiscal year. We must abide by the public commitment to continue the large tax cut. The consumption tax hike should be delayed until 1997. And any such hike should be kept within the range necessary to meet the principle of neutrality in tax revenues. However, if tax cuts and consumption tax hikes are treated as separate actions, we face the risk of rising interest rates. Reform of the tax system that places excessive weight on direct taxes requires that tax decrease and increase actions be handled as a package.

Structural improvements in the Japanese economy require that urgent action be taken to improve the information telecommunications infrastructure. The respective ministries and agencies have submitted their budgetary requirements in support of multimedia programs, but we need a collective policy which transcends the jurisdictional struggles on an interagency basis. We should think in terms of bold, increased funding for any attractive new plans without regard to ceilings.

Budgets are basic to a nation's policies and serve to characterize an administration. The Murayama administration act to restrain pork-barrel politics of the zoku Diet members as a means to eliminate public distrust. Concurrently, the Murayama administration must refrain from becoming mired in bureaucracy-led budget compilation practices which emphasize rates for growth in spending with only secondary consideration given to policy concerns. It must use the budget compilation process to demonstrate bold policy options that aim for a better future for the Japanese economy.

Ministries Decide To Free Demand Deposit Rates

*OW1309113794 Tokyo KYODO in English 1107 GMT
13 Sep 94*

[Text] Tokyo, Sept. 13 KYODO—The Finance and Posts Ministries said Tuesday [13 September] they have agreed to work toward liberalizing interest rates on demand deposits from Oct. 17 to complete a round of rate liberalizations that began in the late 1970s.

The starting date was set in line with an agreement last September between the Finance Ministry, and the Posts and Telecommunications Ministry.

The September accord called for liberalizing demand deposit rates from October, with a compromise of setting rates on ordinary postal deposits 0.9 percentage point higher than the weighted average rate of ordinary rates offered by private banks.

The compromise was made amid strong objections from private banks over liberalizing demand deposit rates without implementing a rule for government-backed postal rates to follow private rates to secure fairness in free market competition.

Rates on ordinary postal deposits are currently 1.1 percentage point higher than private rates.

Private banks accepted the September agreement as it included a provision to later review the initial 0.9 percentage point margin to fully implement the private-led rule.

Officials of the two ministries said the starting date will become official after being endorsed by their blue-ribbon advisory panels, including the Finance Ministry's Financial System Research Committee.

The schedule is still undecided for panel meetings, the officials said.

Meanwhile, the two ministries also agreed to free yields on installment savings from Oct. 17.

Interest rates on postal installment savings will be about 0.6 to 0.7 percent times those of private time-deposits in a period of high interest rates, and about 0.6 to 0.8 percent times those in a period of low interest rates.

The level to determine rates as high or low will be 4 to 6 percent on the private time deposit rates.

*** Murayama Cabinet Criticized on Policy Weakness**

942A0567A Tokyo SHUKAN JIJI in Japanese 30 Jul 94 pp 31-33

[Article by Minoru Morita: "Murayama's 'No-Economic-Policy' Cabinet Has Entered 'Very Dangerous Waters'"]

[Text] It is widely known, not only in Japan but throughout the world, that the Murayama Liberal Democratic Party [LDP], Social Democratic Party of Japan [SDPJ] coalition cabinet was formed without political doctrine or policy by an illicit union, the only objective of which was securing power without the Japanese people being consulted, but we cannot forever just be opposed to the scandalous nature of its birth. We must have it do what it should do as a cabinet. But the Murayama cabinet has no clear economic policy. Nor is it making any effort to create one. It does not have even measures for the present. It is an abysmal lack of policy and ability.

The one in whom the egregiousness is particularly striking is Finance Minister Takemura. In regard to tax reform, all he has is a succession of blank sheets. His statements change round and round. It is said that criticism of Takemura's inconsistent statements also emerged at the 12 July cabinet meeting. With the finance minister's statements appearing to change round and round every day, the credibility of the authorities who deal with government finance will be lost.

The biggest problem at the moment is measures to deal with the strong yen and weak dollar, which has begun to assume an aspect of going on without end, but the

government's attitude is: What will be will be. It gave up. But with things as they are, export companies are in real trouble.

Export companies have three measures against the strong yen. The first is to restructure. That would not be good enough unless it was secondary restructuring accompanied by staff reductions. The risk of an increase in the unemployment rate has grown stronger. The second is to raise prices. But if they raised prices, their competitiveness would weaken. For the present, their only course is to maintain existing prices and resign themselves to taking a loss, but if the strong yen becomes long-term, company operations would deteriorate. The third is to move operations overseas. Deindustrialization because of this would be unavoidable.

There is a risk that a rapid strengthening of the yen will impede business conditions, which have begun the recovery process, and slow down the economy. The way to avoid this danger, in the short term, is to rebuild the system of policy cooperation among Japan, the United States, and Europe. There is no other measure than this to stop the speculative action of the market. But the Murayama cabinet completely fails to understand this. In spite of the fact that Finance Minister Takemura should hasten to the United States and Germany and preach policy cooperation, he does nothing. He is intent only on domestic power struggles, so the most important problem for Japan's economy is being disregarded. The matter will not be settled if the one most tormented by the sudden strengthening of the yen, Japan's minister for finance, is a happy-go-lucky person.

Prime Minister Murayama is said to have told U.S. President Clinton that the Murayama cabinet is "san fleches," the three arrows of the SDPJ, LDP and Sakegake [Harbinger]. But it appears that the three arrows were taken to mean that the three people together barely make one respectable person. But these three arrows cannot even be called one respectable person. They are particularly ignorant of economics.

The biggest task that the government should carry out now is solution of the economic problem, but it looks as though Murayama, Kono, and Takemura do not understand even this.

The medium-term strategy that Japan should adopt is relaxation of regulations and solution of the difference between domestic and foreign prices. This is not only for the purpose of reducing the surplus. It is a more fundamental problem. There is no longer anything else to draw out Japan's vitality.

Economic growth in the 50 years since the end of World War II has been carried out under the leadership of "the bureaucracy." The fruits of high growth were redistributed by the iron triangle of politicians (LDP), the bureaucracy, and financial circles, centered on "the bureaucracy." Many citizens were not dissatisfied with this way of doing things.

But along with changes in the international and domestic situation, Japan's period of high growth ended, so high growth led by the iron triangle of politicians-bureaucrats and financial circles has become impossible in end-of-century Japan. The energy of Japan's economy is being checked by the regulations of overly powerful bureaucrats, so the only way to free that energy is to relax the regulations.

The serious domestic-overseas price difference is partly the result of a model of growth led by exports. Japan's export industries have intentionally adopted the method of selling expensively in Japan and cheaply overseas. If Japan were a small, weak nation there would not be much of a problem, but in the current situation, in which Japan has become a major economic power and continues to produce chronic trade surpluses, it is hardly likely that this kind of inequity will be tolerated. Import industries, too, sold imported goods expensively, taking advantage of Japan's high domestic prices.

What was created in this way is Japan: the country with the highest prices in the world. But high prices isolate Japan internationally. In order for Japan to go on living in cooperation with the world, we must hasten the solution of the domestic-foreign price difference.

The Financial World Should Criticize It Severely

The former Hata cabinet was trying to work out this kind of clear strategy, but it was forced to resign, defeated by the high-handed trickery of the LDP, the SDPJ, and Sakigake, so the two major strategies of relaxing regulations and solving the domestic-foreign price difference vanished without seeing the light of day. What the Murayama cabinet ought to do is take over these two strategies which the former Hata cabinet tried, but was unable to carry out.

In Naples, Prime Minister Murayama proposed to U.S. President Clinton: 1) continuation of tax reduction (that increasing taxes for a source of revenue would be considered after recovery of business conditions) and 2) additional public investment, but the response from the U.S. President was "What will be important after this is action that will give encouragement." But the problem is not "action" alone.

The Murayama cabinet has no clear awareness of a problem in regard to the present state of the economy. It lacks a sense of crisis regarding the Japanese economy.

Therein lies the cause of the lack of a policy.

There is also a problem on the financial-world side. It is too uncritical of the new government. It is currying of favor. This way the lack of an economic policy will not be corrected. What is needed now is severe criticism of the new cabinet.

MITI To Back Industry, Academia Researchers

OW0909142494 Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Sep 94 Morning Edition p 5

[Text] The Ministry of International Trade and Industry (MITI) plans to create in FY 1995 a program for the

mutual exchange of researchers by, among others, domestic and international businesses, universities, and national research institutes. The New Energy Development Organization (NEDO), a government affiliated special corporation, is the point of contact, and will provide such services as recruiting qualified individuals and the businesses to which they will be sent. It will also, in line with research themes, handle placement. During the dispatch period, the individuals will be paid as part-time employees of NEDO. The aim is to stimulate creative basic research by promoting the exchange of researchers outside typical organizational constraints.

The name of this program will be the "Industry Technology Fellowship." NEDO will recruit businesses, universities, and research institutes which promote research and development projects as well as researchers who wish to participate. NEDO will dispatch the researcher after evaluating such areas as a project's originality and feasibility, as well as the researcher's expertise.

It will appoint the dispatched researchers, who are part-time employees, as "special research fellows." The period of appointment will be from one to three years. During this time, 7 million yen per year will be paid appointees to cover a leave of absence. Government employees will simply be temporarily reassigned. MITI is planning for as many as 60 individuals in FY 1995, and for the required budget it has made a preliminary request for 463 million yen.

There is a system already in place at NEDO for covering a portion of the research expenses associated with having foreign researchers included on an international joint research team. The fellowship program is also not limited to only domestic applicants, but is also open to foreign businesses, universities.

MITI is investigating expanding the program to later include the introduction of a means whereby government researchers working at national research laboratories and elsewhere will be able to work part-time for short periods at such places as businesses and private universities. It is also investigating a flextime program which would permit researchers to decide when they start and end work. The idea is that MITI wants to strengthen basic research, which comes from creative expression, by increasing those areas where researchers can be freely involved.

JDA To Streamline Radar Network Operations

OW1009081394 Tokyo KYODO in English 0733 GMT 10 Sep 94

[Text] Tokyo, Sept. 10 KYODO—The Japan Defense Agency (JDA) has launched a study on ways to unify radar network operations of three services ahead of Japan's possible introduction of the U.S.-initiated theater missile defense (TMD) concept, defense sources said Saturday [10 Sep].

Ground, Maritime and Air Self-Defense Forces have hitherto operated their own radar networks independently, but they must be unified to boost Japan's defense capabilities, the sources said.

The TMD system would enable the shooting down of enemy missiles flying in at both high and low altitudes with interceptor missiles.

The Defense Agency plans to seek outlays for research on the advanced defense system in its budget for fiscal 1995, starting next April 1, the sources said.

They said the ongoing study will result in a sweeping reform of Japan's overall defense system, including a review of electronic equipment in operation and duties performed by the joint chiefs of staff.

In fiscal 1987, the agency launched a project to consolidate a digital communications network to keep its defense system abreast with swift advancements of electronic communications technologies.

But, the sources said, little attention has since been paid to exchange of information among the three services on radar equipment adopted by them.

The Air-Self Defense Force operates a badge system combining the operational command and a network of 28 radar sites across the nation.

The system, however, is connected only partially with a similar strategic network operated by the Maritime Self-Defense Force, the sources said.

The Ground Self-Defense Force operates its own detection system which only covers a small frontline area, they said.

Since the test firing of a ballistic missile by North Korea earlier this year, Defense Agency officials have become convinced of the necessity to develop a comprehensive radar network to consolidate an effective missile intercepting system, the sources said.

Japan and the United States have agreed to conduct a joint study on whether the Defense Agency's existing communications system is effective in coping with a ballistic missile attack, they said.

KDD To Draft Global Optical-Fiber Standards

942A0683A Tokyo NIHON KEIZAI SHIMBUN in Japanese 5 Sep 94 p 11

[Text] A study group of concerned corporations will be launched shortly to set global standards for high-performance optical-fiber long-distance telecommunications. The study group will prepare a standardization plan in response to a request that Kokusai Denshin Denwa (KDD) received from the International Telecommunications Union's Standardization Committee (ITU-T). The ITU-T is scheduled to start detailed work on the project in November, while the study group is scheduled to be launched before that time. Inspection methods for

optical-fiber cables will be standardized and ultimately reflected in standards, since failure to maintain optical-fiber performance can easily cause deterioration in signals in connection with long-distance telecommunications.

KDD will be responsible for the Asian and Australian regions. National Institute for Standards and Technology (NIST) (U.S. Department of Commerce's telecommunications research center) will be responsible for the United States. PTT (Swiss Ministry of Posts and Telecommunications' telecommunications research center) will handle Europe. Additionally, KDD will be responsible for coordinating the three global regions and compiling global standards.

In the Asian-Australian region, KDD and firms such as Sumitomo Electric Industries, Furukawa Electric Industries, and Fujikura, which are involved in a joint project with U.S. AT&T to lay a "Fifth trans-Pacific cable network (TPC-5CN) will join in establishing a study group. Other firms to participate in the study group will be Nippon Denshin Denwa (NTT) and other electrical wire makers. Inquiries will also be placed with South Korean and Australian telephone companies to seek participation in the study group.

Models of Auto Navigation Systems Introduced

OW1309044394 Tokyo KYODO in English 0351 GMT 13 Sep 94

[Text] Tokyo, Sept. 13 KYODO—Pioneer Electronic Corp. unveiled Tuesday [13 September] two models of satellite-based car navigation systems.

The Avic-X77 and Avic-G7 models, to be introduced in the domestic market in November, contain a central processing unit (CPU), a satellite-based global positioning system (GPS) receiver and a CD-ROM player, pioneer said.

Both models can be installed within a dashboard or under the driver's seat.

The X77, priced at 248,000 yen, comes with a 5-inch color liquid crystal (LCD) display for presenting navigation maps. It can be used as a regular television, with an optional TV tuner.

The G7, priced at 126,000 yen, has no display but has a video output which can be connected to in-car displays of non-Pioneer brands.

Pioneer forecasts monthly sales at 10,000 units for the X77 and 5,000 for the G7.

MOT To Set Double-Hull Tanker Policy in 1995

942A0673A Tokyo NIHON KEIZAI SHIMBUN in Japanese 5 Sep 94 p 3

[Text] The Ministry of Transport [MOT] plans to establish in fiscal 1995 a system for promoting the construction of double-hull tankers, which are effective in preventing crude oil discharge accidents. Targeting ship

companies that will scrap single-hull tankers that can still be used, the ministry will give a subsidy of two-thirds of the difference between the price for selling the tanker as scrap steel after scrapping and the estimated price for selling it as a used ship. By promoting the scrapping of superannuated single-hull tankers where there is a high possibility of causing an accident, the MOT aims to prevent serious ocean pollution.

The subsidy will be granted via the "Superannuated Tanker Elimination Promotion Measures Foundation" which the MOT will form in fiscal 1995. The MOT will incorporate 900 million yen in the fiscal 1995 budget draft request for the cost of forming the foundation.

In order to prevent destruction of the environment by accidents, the International Maritime Organization (IMO) is obligated to rebuild single-hull tankers over the age of 25 into double-hull, in addition to making tankers contracted for construction since July 1993 double-hull.

A majority of the tankers currently commissioned in the world are single-hull, and many were built about 1975. Since the costs mount up to rebuild them as double-hulled tankers, there is a high possibility that there will be a concentration of tankers that are continuing as is and will be scrapped when they greet the age of 25 around 2000.

Auto Emissions Levels Rise in Tokyo, Osaka

942A0669A Tokyo NIHON KEIZAI SHIMBUN in Japanese 3 Sep 94 p 30

[Text] It has become clear in the results of the fiscal 1993 measurements announced on 2 September by the Environment Agency [EA] that nitrogen oxide (NO₂) emitted by autos and plants in the large metropolitan areas centering on Tokyo and Osaka exists in high concentrations in the atmosphere and is as serious a situation as ever. The EA views the main cause to be weather conditions, such as little atmospheric convection occurring during the winter season, but the agency is considering the further promotion of countermeasures on the generating sources centering on autos such as auto emissions regulations.

The survey was a combination of data by general environment and atmosphere measurement stations (general stations) established in residential areas and auto emissions measurement stations (auto emissions stations) established along principal roads. The targeted areas were 151 cities, wards, towns, and villages in the prefectures of Tokyo, Saitama, Chiba, and Kanagawa, and 45 cities and towns in Osaka and Hyogo.

According to that, 162 of 467 stations (313 of which are general stations) could not achieve NO₂ environment standards, a non-attainment rate of 34.7 percent. It is a rise of 9.3 points from the previous fiscal year and the level seems to have returned to that from fiscal 1987 to 1991 when a high NO₂ concentration continued.

The non-attainment rate for the auto emissions stations was higher than the general stations, and the non-attainment rate rose 11 points to 64.9 percent, with 100 of 154 auto emissions stations unable to achieve environment standards.

Limited to the three areas of the Tokyo region (23 wards and five surrounding cities), the Kanagawa region (three cities, including Yokohama), and the Osaka region (17 cities, including Osaka, and one town) where the total amount of NO₂ emissions is especially regulated among the surveyed areas, 65 stations, or nearly 90 percent of the 73 auto emissions stations, could not attain it.

In the worst 10 for NO₂ concentration of the auto emissions stations, Tokyo stations, including Ota-ku and Shinjuku-ku, occupied the top positions with Itabashi-ku of Tokyo Prefecture at the top.

Hokkaido Consumers Group Criticizes Gas Pricing

942A0672A Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Sep 94 p 1

[Text] Hokkaido's three big gas companies, Hokkaido Gas, Asahikawa Gas, and Kushiro Gas, formally decided on 5 September that they will discontinue at the end of September the temporary rate cuts due to high yen marginal profit rebates which they have been implementing since January 1994. The three big national companies of Tokyo Gas, Osaka Gas, and Toho Gas have decided to continue the price cuts, and some regional gas companies that are using liquefied petroleum gas (LPG) for the raw material and are on the verge of switching to natural gas as is Hokkaido Gas have been cautious about discontinuing the price cuts. Criticism from consumer groups is quickly appearing all the more because of that.

Since January, Hokkaido Gas has been implementing a price cut of about 62 yen for the average household using 30 cubic meters a month (converted to 10,000 kilocalories); Asahikawa Gas' price cut has been about 47 yen and that of Kushiro Gas has been about 25 yen. Since the time limit was the end of September, the various companies had been discussing their response for October and thereafter, but abandoned continuation because the rise in the price of LPG, the raw material, is continuing.

In addition, Hokkaido Gas has cited as reasons: 1) its full-scale facilities investment accompanying conversion to natural gas, and 2) marginal profit is a cost structure difficult to rebate, because the company is purchasing the raw material from petroleum companies, different from big gas companies such as Tokyo Gas that import directly the raw material of liquefied natural gas (LNG).

According to Hokkaido Gas, a marginal profit of over 270 million yen annually will be generated beginning in October of this year if the yen market proceeds at the present level, but "the rise in LPG prices cancels this" (President Masatsugu Sasaki).

Moreover, since Saudi Arabia, the producing country, has decided to change the pricing method from one linked to the international spot price and crude oil price to a method of unilateral notification starting in October, the company has judged that there is a strong possibility that raw material prices will rise further. Investments for safety measures such as setting up meters to prevent gas leaks have held down earnings for Asahikawa Gas and Kushiro Gas, and they say that "If we continue the price cut, we will have to raise prices in the future and conversely cause the consumer annoyance" (Asahikawa Gas).

Regarding the discontinuance of the price cuts by the three companies, the Hokkaido Consumers' Association considers that "Insofar as electric power and big gas companies have decided to continue the price cut, this decision is unsatisfactory. The rise in raw material costs should be managed with business efforts and a continuation of the price cut is proper"; the association intends to request that the gas companies rethink it at the end of this week.

Farm Officials on Proposed Agricultural Reforms

OW1309073894 Tokyo KYODO in English 0642 GMT 13 Sep 94

[Text] Tokyo, Sept. 13 KYODO—The heads of the nation's seven regional agricultural administration offices opened a two-day meeting in Tokyo on Tuesday [13 September], with discussions focusing on agricultural reforms proposed by government advisers.

Most officials supported the recent proposal by the government's advisory panel, the Agricultural Policy Council.

Some officials, however, criticized the proposal, which they said failed to give enough support to plans to revitalize remote farming areas.

Taichiro Okawara, minister of agriculture, forestry and fisheries, told the meeting his ministry is determined to push measures to make Japanese farming "independent" toward the 21st century.

Officials from all regions outside the Kanto area said the present drought in wide areas of the nation, if prolonged, could affect rice harvests this year.

Mongolia

Hungarian President Arrives on Official Visit

LD1209080894 Moscow ITAR-TASS in English 0648 GMT 12 Sep 94

[By ITAR-TASS correspondent Kim Boldokhonov]

[Text] Ulaanbaatar September 12 TASS—President Arpad Goncz of Hungary arrived here on Monday for a

two-day official visit. At Buyant-Uhaa airport, the distinguished Hungarian guest was met by Mongolian President Punsalmaagiyn Ochirbat, Prime Minister Punsagiyn Jasray and other officials.

The Hungarian president will hold talks and meetings with top Mongolian leaders to discuss a wide range of matters concerning bilateral cooperation and topical national problems of mutual concern. Documents on further development of Mongolian-Hungarian cooperation are to be signed as a result of the visit.

This is the first visit by the top Hungarian leader following the disintegration of the world socialist system. Local analysts believe that the visit will give an impulse to the restoration of the once rather wide cooperation between Mongolia and Hungary in various spheres of social life.

Talks With President Ochirbat

LD1209133694 Budapest Kossuth Radio Network in Hungarian 1000 GMT 12 Sep 94

[Text] Hungarian-Mongolian presidential negotiations have started in Ulaanbaatar. Our special correspondent Miklos Lengyel reports:

[Lengyel] Mongolia wishes to learn from the experience which Hungary gained during the change of regime which took place there. This was emphasized by [Mongolian] President [Punsalmaagiyn] Ochirbat during his 90-minute talk with [Hungarian President] Arpad Goncz. This is the first Hungarian-Mongolian presidential meeting since the change of regime in the two countries.

Tomorrow the Hungarian delegation will sign a series of agreements, including ones on aviation cooperation and the abolition of double taxation.

Lieutenant General Laszlo Borsits, deputy state secretary at the Ministry of Defense, is also a member of the [Hungarian] delegation.

Arpad Goncz and his wife will respond to the friendly reception by wearing Mongolian folk-dress at a gala dinner which is to be hosted in their honor.

The Hungarian delegation will spend another day in Mongolia before leaving for Beijing.

President Receives Cypriot Envoy's Credentials

NC1209205494 Nicosia CYPRUS NEWS AGENCY in English 1525 GMT 12 Sep 94

[Text] Nicosia, Sept 12 (CNA)—Mongolia will continue to support the just cause of the Cyprus people for independence and sovereignty.

This was said by Mongolian President Punsalmaagiyn Ochirbat, when he received the credentials of Cyprus' Ambassador to Mongolia, Mrs Mirna Kleopa, an official announcement said here Monday.

He expressed satisfaction with the existing friendly relations between the two countries and pledged that Mongolia would continue to support the just cause of the Cyprus people for independence and sovereignty.

The Mongolian leader also expressed the conviction that the two countries' constructive cooperation in the international fora and organisations would continue and that their relations would be further strengthened in the fields of economy, trade and culture.

Mrs Kleopa briefed Ochirbat on the latest developments in the Cyprus problem, highlighting the seriousness of the situation due to the Turkish intransigence.

Cyprus has been divided since the 1974 Turkish invasion. Turkey continues to occupy 37 per cent of the island's territory.

Japanese Mining Agency Discovers Gold in Gobi

OW1608043994 Tokyo KYODO in English 0119 GMT 16 Aug 94

[Text] Tokyo, Aug. 16 KYODO—The Metal Mining Agency of Japan, a government-run organization, has discovered a vein of gold in the Gobi Desert in Mongolia, agency officials said Tuesday [16 August].

The affiliate with the ministry of International Trade and Industry has struck a quartz vein with an estimated 300,000 tons of gold-bearing ore deposits in Olon Ovoot [name as received], about 450 kilometers southeast of Ulaanbaatar, the officials said.

The agency thinks the deposit is worth developing and has started a full-scale exploration covering a wider area, they said.

It began exploring the region in fiscal 1991 at the request of the Mongolian Government, the officials said.

North Korea

Dominica Supports North-U.S. Talks Statement

SK1009042094 Pyongyang KCNA in English 0407 GMT 10 Sep 94

[Text] Pyongyang, September 10 (KCNA)—The government of the Commonwealth of Dominica expressed support to the agreed statement adopted at the third round of talks between the Democratic People's Republic of Korea and the United States.

The Foreign Ministry said in a note on August 25 that the Dominican Government expressed satisfaction at the progressive content of the agreed statement.

South Foreign Minister's U.S. Visit Criticized

SK1309045394 Pyongyang KCNA in English 0446 GMT 13 Sep 94

[Text] Pyongyang, September 13 (KCNA)—The South Korean rulers are advertising "the successful visit to the United States" of "foreign minister" Han Sung-chu.

Commenting on this, a NODONG SINMUN analyst today says:

His trip reminds one of a poor prostitute who strips herself naked for a few pence only to be kicked out by the unwilling customer. The commentary titled "They Must Live With Their Own Sense" says:

What Han Sung-chu told this and that man while visiting the United States were all entreaty and solicitation devoid of an independent position.

Peddling the "indispensability" of dialogue for the implementation of the joint declaration on denuclearisation, he revealed his sinister intention to obstruct the settlement of the nuclear issue on the Korean peninsula and lower the checkbar on the road of the improvement of the DPRK-U.S. relations with "North-South dialogue" as a pretext.

His claim that "the armistice system must be maintained" was intended to block DPRK-U.S. negotiation for the preservation of peace, maintain the unstable state of armistice for an indefinite period and continuously use it as a camouflage for the anti-DPRK campaign.

Calling at one place after another in the United States, hat in hand and bowing deeply, the South Korean "foreign minister" must have felt pains in his waist. But he failed to achieve desired results.

The South Korean rulers must know that, unless they maintain independence, they will solve no problem, even if they bow a hundred times.

Joint Communiqué on U.S. Negotiations Reported

SK1309033094 Pyongyang Korean Central Broadcasting Network in Korean 0311 GMT 13 Sep 94

[Text] A joint communiqué [podo] on the status of the expert-level negotiations [hyopsang] between Korea and the United States on the opening of liaison offices:

In accordance with the agreed statement issued at the third round of high-level talks between the DPRK and the United States of America, expert-level negotiations were held in Pyongyang from 10 to 13 September 1994.

The two sides discussed detailed working-level matters—which can be linked to the mutual establishment of liaison offices—within the general, agreed boundary.

The negotiations proceeded in a sincere and cooperative atmosphere [chinjihago hyopjojokin punwigi].

The two sides decided to report to their respective governments the results of the negotiations on opening liaison offices.

[Dated] 13 September, 1994, Pyongyang

U.S. State Department Delegation Departs 13 Sep

SK1309103594 Pyongyang KCNA in English 1026 GMT 13 Sep 94

[Text] Pyongyang, September 13 (KCNA)—A delegation of the U.S. State Department left here today by air after

participating in the expert-level discussions on the establishment of liaison offices between the Democratic People's Republic of Korea and the United States of America.

Detailed technical matters that would be related to the exchange and establishment of liaison offices were thrashed out at the discussions held here from September 10 to 13 in accordance with the agreed statement adopted at the third round of the DPRK-USA high-level talks.

U.S. Soldiers Remains From Korean War Delivered

SK1309044594 Pyongyang KCNA in English 0436 GMT 13 Sep 94

[Text] Panmunjom, September 13 (KCNA)—The Korean side delivered to the U.S. side the remains of 14 U.S. soldiers who died in the northern half of Korea during the Korean War (June 25, 1950- July 27, 1953) at Panmunjom today.

Among them are the remains of George W. Conklin (S.N. [serial number] Ra [regular army] 12286643), Harold P. Haugland (S.N. Ra 19350144), Tommy V. Hicks (S.N. Ra 14287573), Gerald F. Day (S.N. Ra 16320038) and 43 articles of ten kinds left by them.

The remains were unearthed in Kaljon-ri and Hwangcho-ri, Changjin County, South Hamgyong Province, and in Yongpo-ri, Suan County, North Hwanghae Province.

Col. Mark R. Shoemaker, the head of the U.S. working group for the delivery of GIs' remains expressed thanks to the side of the Korean People's Army for the unearthing and delivery of remains with so much efforts. He also expressed to the government of the Democratic People's Republic of Korea on behalf of the bereaved families of the soldiers.

The delivery of remains have taken place in accordance with the "agreement on remains" which was signed and effectuated by the military authorities of the DPRK and the United States on August 24, 1993, which was a fruition of a peaceful and humanitarian measure of the DPRK Government.

The Korean side has transferred the remains of 145 U.S. soldiers on five occasions after the adoption of the agreement.

Since 1990 the remains of 208 U.S. soldiers have been delivered to the U.S. side on ten occasions.

Kim Yong-sam's Kitty Hawk Visit Criticized

SK1309135994 Pyongyang Korean Central Broadcasting Network in Korean 1225 GMT 13 Sep 94

[Commentary by Yun Pyong-son: "Begging Farce Aimed at Aggravating Tensions"]

[Text] According to reports, puppet traitor Kim Yong-sam visited the U.S. aircraft carrier Kitty Hawk, which belongs to the Seventh U.S. Fleet and is currently engaged in an operation off the Korean coast, on the morning of 12 September. During his visit, he begged his master to do his best to build a cooperative system, as well as to further consolidate the relationship of friendship between South Korea and the United States. This is an act aimed at further aggravating tensions on the Korean peninsula and once again shows the pitiful appearance of a colonial stooge.

As everyone knows, in accordance with the agreed statement issued at the third round of talks, measures to fulfill the statement are now being pushed ahead between North Korea and the United States.

In addition, upon consultations with us, China has decided to withdraw its delegation from the Military Armistice Commission of Korea so that a durable peace guaranteeing system can be established, fully taking into account the present state of the Armistice System, which is nothing but a name.

Such moves are a very positive development of the situation which would eventually alleviate tensions and establish a durable peace on the Korean peninsula. Even the people at home and abroad express active support and rapport for these movements.

At a time like this, traitor Kim Yong-sam visited the U.S. aircraft carrier, which belongs to the Seventh U.S. Fleet, and babbled before U.S. soldiers about the building of a cooperative system as well as the consolidation of the relationship of friendship between South Korea and the United States.

Speaking of the building of a cooperative system and the consolidation of the relationship of friendship, which the puppet traitor begged for, implies a criminal military collusion [kyoltak] between South Korea and the United States.

After all, the puppet Kim Yong-sam's visit to the aircraft carrier of the U.S. Seventh Fleet was aimed at further intensifying military collusion, thereby creating difficulty in the DPRK-U.S. negotiation and maintaining permanently the present unstable state of the armistice. This is an intolerable criminal act running counter to the trend of the times. This is proven by the fact that he observed the take-off and landing exercise of aircraft and asked those participating in it to do their best to promote their combat skill, that the puppet foreign minister, before this, made a hasty visit to the United States prior to the DPRK-U.S. expert-level negotiations and begged for slowing down the speed of the improvement of DPRK-U.S. relations, and that he made absurd remarks that the armistice regime should be maintained until such time when the peace regime is established through North-South discussion.

Puppet Kim Yong-sam is a vicious national traitor and a filthy flunkeyist traitor who takes no account of national interest or peace on the Korean peninsula.

Traitor Kim Yong-sam's visit to the carrier of the U.S. Seventh Fleet was also connected with their restless position. Political unrest and disorder continue in South Korea at present, and the economic catastrophe and deterioration of the people's standard of living are so serious that the anti-Kim Yong-sam sentiment is heightening rapidly. Moreover, because the beggarly diplomacy to the United States further deepened the colonial subjugation, the people's grievance against the Kim Yong-sam ring is sky-high.

Furthermore, traitor Kim Yong-sam did not follow the condolence custom in connection with the fellow countrymen's unfortunate incident, but leveled the gun at the fellow countrymen sunk in sorrow, thus destroying the atmosphere for North-South dialogue. The people will not forgive the Kim Yong-sam ring for this.

The Kim Yong-sam ring, which is driven into a corner within and without, is trying to sustain the crumbling dictatorial power clinging to the outside force's sleeves. However, this will only reveal to the world the miserable appearance of the pro-U.S. stooge. It cannot be a way out for their survival.

Only destruction awaits the South Korean ruling bunch which lives depending upon outside forces without any political independence.

Kim Yong-sam Urged To Resign at People's Demand

SK0909124694 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 8 Sep 94

[Commentary by Kim Ho-sam: "A Deserved Assessment"]

[Text] South Korea's Social and Cultural Research Institute recently polled 2,000 people from educational, financial, press, and business circles. According to the poll, 83.7 percent of the respondents demanded the replacement of the present political power. This is a deserved assessment [ungdanghan pyongga] of the Kim Yong-sam clique's incorrect politics [silchong].

Everybody knows that, prior to and after coming to power, the Kim Yong-sam clique drummed up its civilian policies and reforms, talking noisily about the creation of a new ROK, the arrival of a new era, and the like. However, nothing has changed in South Korea for a year and half since the Kim Yong-sam clique came to power. Instead, a crisis has been created more serious than the one which prevailed during the previous military dictatorial era.

Kim Yong-sam's rule during his term of office can be summarized as a humiliating flunkeyist selling of the nation, a fascist autocracy engaging in worthless war maneuvers and anti-North confrontation commotions.

It is well known that the Kim Yong-sam clique conducted treachery to the country and nation by exceeding

the Ulsa five-point treaty of the previous puppets, and by signing the Wartime Host Nations Support which allows outside forces to freely use South Korean port facilities and compels South Korea to submit to the United States more than \$3 billion annually to maintain U.S. troops in South Korea.

Kim Yong-sam's reform policy is nothing but a reshuffling aimed at consolidating his power. To borrow the South Korean people's expression, it thoroughly ended with a mess.

The fascist ruling system of the military dictatorial era still remains in South Korea. The National Security Law, an unparalleled fascist evil law, and the Agency for National Security Planning, a notorious fascist organization that plots schemes, are still alive. Based on them, the Kim Yong-sam clique has enforced a new security-oriented rule and is blowing a strong wind of vicious fascist oppression over a broad range of patriotic and democratic forces in various classes and strata.

The Kim Yong-sam clique's antinational and antireunification nature has been extensively revealed in its policy toward the North. While talking about the nonexistent nuclear threat from us—who are making sincere efforts for national reconciliation, unity, and reunification—the rascals are indiscreetly running wild to harm their fellow countrymen by using the strength of outside forces, mentioning an international cooperation system, sanctions, and the like. At the same time, they are again extremely increasing the tension of the situation on the Korean peninsula by waging confrontation commotions, such as the large-scale war exercise for a Northward invasion which they madly conduct in collusion with outside forces.

The Kim Yong-sam clique has derogated the South Korean economy to an unrecoverable subordinate economy, and driven the national economy into a crisis of general ruin, talking about internationalization and opening up. This is also an important traitorous crime committed by the rascals.

South Korea's trade deficit with Japan amounted to as much as \$5 billion for only the first half of this year. The Kim Yong-sam group has frozen the South Korean workers' starvation wages under the cloak of sharing the suffering, and is brutally repressing those workers who demand a raise in wages, mobilizing government power. It is driving the six million farmers to death after leaving the entire South Korean rice market in the hands of outside forces.

In fact, the Kim Yong-sam clique has done nothing but intensify the colonial subordination of South Korea, placing society under fascism, ruining the economy, and aggravating North-South relations since he came to power. That is all it has brought.

The Kim Yong-sam clique is a group of flunky traitors without any political idea or ability. They are men of

power and ambition [kwollyok yasimga], civilian fascist maniacs who are indiscreet in employing means to hold power, and peerless immoral persons and terrorists who reacted to a fellow countryman's death by wielding a knife.

These spiritless dregs of the times and the nation [ssulgae ppajin sidaewa minjogui omultul] are playing a low political comedy [chongchi kwangdae norum], holding the seat of power. How on earth can things be going well in this situation?

It is no accident that the overwhelming majority of the South Korean people has demanded the replacement of the present political power. The Kim Yong-sam clique must quit its position of power without hesitation, meeting the demand of the various circles of society.

ROK Said 'Offering' Territory to Foreigners

*SK1309044994 Pyongyang KCNA in English 0441
GMT 13 Sep 94*

[Text] Pyongyang, September 13 (KCNA)—The Kim Yong-sam group decided to admit "the Sea of Japan" in case the East Sea of Korea is called thus in "the action plan" expected to be adopted at the inter-governmental meeting on northwest Pacific action plan to be held in Seoul.

Commenting on this, NODONG SINMUN today condemns this as another never-to-be-condoned treacherous act of offering the sea of the country to an outside force.

The analyst further says:

This is an unpardonable heinous crime which reminds one of the pro-Japanese flunkeyist and treacherous acts of the five traitors of Ulsa (1905) who sold off the country and the nation to the Japanese imperialists. It is well known a fact that the Japanese imperialists who illegally occupied Korea in the past made maps with the East Sea of Korea marked as "the Sea of Japan" in a bid to totally destroy Korea, pursuing a cruel colonial rule.

In the later period, the Japanese reactionaries have again marked the East Sea of Korea as "the Sea of Japan." This reveals their brigandish aggressive and expansionist design.

The Kim Yong-sam group, however, agreed to their preposterous claim without uttering a word of complaint. This is an anti-national criminal act of putting "a license of reinvasion" in the hand of the Japanese reactionaries, abandoning the spirit and dignity of the nation, and the height of servility of the flunkeyists and traitors.

Noting that the Kim Yong-sam group, upset by the strong protest of broad public opinion and sharp criticism of the people, is going to suggest the marking of the East Sea of Korea in "third neutral words", the analyst says: The marking of the East Sea of Korea in "third

words" of unknown nationality is little different from marking it as "the sea of Japan." This is also an intolerable treachery.

The Kim Yong-sam group will face a stern punishment as the criminals and the Ulsa five traitors of modern type who are bringing disgrace and disaster to the South Korean people and the nation.

ROK Accused of Military Provocation in DMZ

*SK1309104694 Pyongyang KCNA in English 1030
GMT 13 Sep 94*

[Text] Pyongyang, September 13 (KCNA)—The South Korean puppets Monday introduced 10 military trucks carrying over 500 bandits armed with machine-guns and automatic rifles and 90 mm recoilless guns into the Demilitarized Zone and took a posture of firing at a post of the North side, according to military sources.

The military provocation is part of the premeditated move of the traitor Kim Yong-sam clique to deliberately aggravate the situation of the Korean peninsula and lay an artificial obstacle to the improvement of the DPRK-USA relations.

Vice President Yi Meets With Japanese Visitors

*SK1009042794 Pyongyang KCNA in English 0408
GMT 10 Sep 94*

[Text] Pyongyang, September 10 (KCNA)—Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president, met and had a friendly conversation with Kanji Inoki, leader of the Sports Peace Party of Japan, member of the House of Councillors and world professional wrestling champion, and his companions at the Mansudae Assembly Hall on September 9.

Yi Chong-hyok, vice-chairman of the Korean Asia-Pacific Peace Committee, was on hand.

Norwegian Ambassador Presents Credentials to Yi

*SK1009042994 Pyongyang KCNA in English 0410
GMT 10 Sep 94*

[Text] Pyongyang, September 10 (KCNA)—The new Norwegian Ambassador to Korea, Sverre Bergh Johansen, presented his credentials to Vice-president Yi Chong-ok at the Mansudae Assembly Hall Friday.

Vice Foreign Minister Choe U-chin was present on the occasion.

After receiving the credentials, Yi Chong-ok conversed with the ambassador.

Foreign Party Leaders' Greetings to Kim Chong-il

*SK1009041794 Pyongyang KCNA in English 0405
GMT 10 Sep 94*

[Text] Pyongyang, September 10 (KCNA)—Messages of greetings came to the dear leader of our party and our

people Comrade Kim Chong-il from foreign party leaders on the occasion of the 46th founding anniversary of the Democratic People's Republic of Korea.

They came from General Secretary of the C.C. [Central Committee], the All-union Communist Party of Bolsheviks Nina Andreyeva, General Secretary of the C.C., the Communist Party of India (Marxist) H.S. Surjeet, General Secretary of the National Council of the Communist Party of India Indrajit Gupta, General Secretary of the Mongolian People's Revolutionary Party B. Dashyondon, General Secretary of the C.C. the Communist Party of Bangladesh (Marxist-Leninist) Dilip Barua, General Secretary of the Congolese Communist Party Kamba Raymond and General Secretary of the Congolese Socialist Party Leon Nzokene.

The messages extend warmest congratulations to Comrade Kim Chong-il and wish him good health and a long life.

They express the belief that the Korean people will successfully carry the cause of President Kim Il-song to accomplishment under the leadership of Comrade Kim Chong-il and the friendly and cooperative relations between the Workers' Party of Korea and the afore-said parties and between the Korean people and the peoples of the afore-said countries will grow stronger and develop.

Fidel Castro Sends Greetings to Kim Chong-il

SK1009041494 Pyongyang KCNA in English 0401 GMT 10 Sep 94

[Text] Pyongyang, September 10 (KCNA)—The dear leader of our party and our people Comrade Kim Chong-il received messages of greetings from heads of state of different countries on the occasion of the 46th founding anniversary of the Democratic People's Republic of Korea.

They came from Russian President B. Yeltsin, Romanian President Ion Iliescu, Pakistani President Sardar Farooq Ahmad Leghari, Pakistani Prime Minister Benazir Bhutto, Ugandan President Yoweri Kaguta Museveni and Tanzanian President Ali Hassan Mwinyi.

The messages extend warmest congratulations to Comrade Kim Chong-il and express the belief that friendly and cooperative relations between the aforesaid countries and Korea will be further strengthened and developed.

A message of greetings came to the Central Committee of the Workers' Party of Korea from Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of the Republic of Cuba.

The message reaffirmed the firm resolution of Cuba to further strengthen and develop the excellent fraternal

relations of friendship and cooperation between the parties, governments and peoples of Cuba and the DPRK.

Foreigners Honor Memory of President Kim Il-song

SK1009044294 Pyongyang KCNA in English 0432 GMT 10 Sep 94

[Text] Pyongyang, September 10 (KCNA)—Secretary for Information and External Relations of the Arab Islamic Democratic Movement of Jordan Marwan Sudah, officials of the Cuban Embassy in Korea, a trade delegation of the Dandong city import and export corporation of China, members of the delegation of the Russian Research Centre of Kimchongilism and officials of the Central Committee of the Association of Chinese Residents in Korea visited the statue of the great leader President Kim Il-song on Mansu Hill Friday on the lapse of two months since his death and on the 46th founding anniversary of the Democratic People's Republic of Korea.

They laid wreaths and bouquets before the statue and paid a silent tribute to the memory of President Kim Il-song.

Marwan Sudah said it is the most sacred duty for the world's revolutionary people and the Arab people always to remember the leadership feats of President Kim Il-song. "We will walk the same road with the Korean people forever, taking his idea as the guideline," he added.

Cuban Ambassador Jose Ramon Rodriguez Varona said it was their duty to call at the statue of President Kim Il-song and pay a tribute to his memory. "The idea of the great leader President Kim Il-song will be everlasting and the DPRK will be wisely led by the dear leader Comrade Kim Chong-il," he said.

The head of the trade delegation of the Dandong city import and export corporation of China recalled that President Kim Il-song had close intimacy with the veteran revolutionaries of China. "His death," he said, "is a big loss not only to the Korean people but also to the Chinese people."

He hoped that the Korean people, under the leadership of Comrade Kim Chong-il, would turn sorrow into strength and courage and successfully fulfil the behests of the great leader Comrade Kim Il-song.

A Sind provincial assembly friendship delegation of Pakistan led by Munawar Ali Butt, deputy speaker of the Assembly, laid a wreath before the statue of President Kim Il-song in Pyongsong, South Pyongan Province, and observed a moment's silence to honor his memory.

"President Kim Il-song devoted his whole life to the freedom and happiness of the people," the head of the delegation said, adding: "He was, indeed, the great leader of the people."

More Activities Commemorate Founding Anniversary

Wang Bingqian at Banquet in PRC

SK1009043894 *Pyongyang KCNA in English* 0425
GMT 10 Sep 94

[Text] Beijing, September 9 (KCNA)—“I, on behalf of the party and people of China, extend warm congratulations to the party, the Government and the fraternal people of Korea,” said Wang Bingqian, vice-chairman of the Standing Committee of the National People’s Congress of China, at a banquet hosted at the Korean Embassy in Beijing on Thursday in celebration of the 46th founding anniversary of the Democratic People’s Republic of Korea.

Wang said:

China and Korea are friendly neighbours sharing mountains and rivers. The great friendship between the two peoples was established and cultivated by the veteran revolutionaries of the two countries.

With President Kim Il-song passing away some time ago, the Korean people suffered a big loss and the Chinese people, too, are very sad at the loss of a great and close friend.

We feel joy and consolation at the fact that the Korean people are doing their utmost efforts to fulfil the behests of President Kim Il-song, closely united around the Central Committee of the Workers’ Party of Korea headed by Comrade Kim Chong-il.

The Chinese party and Government set great store by the Sino-Korean friendly and cooperative relations and will make every possible effort to steadily develop these relations together with the Korean comrades.

Officials, Workers Visit Monument

SK1009043594 *Pyongyang KCNA in English* 0418
GMT 10 Sep 94

[Text] Pyongyang, September 10 (KCNA)—Senior party and government officials, working people and People’s Army soldiers laid baskets of flowers at the monument to the victory in the fatherland liberation war in Pyongyang Friday on the occasion of the 46th founding anniversary of the Democratic People’s Republic of Korea.

A floral basket from the great leader of our party and our people Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People’s Republic of Korea and supreme commander of the Korean People’s Army, was lying before the sculpture “victory”, the main theme of the monument.

Baskets of flowers were laid in a joint name of the Central Committee of the Workers’ Party of Korea, the Central People’s Committee and the Administration Council of the DPRK and from the Ministry of People’s Armed Forces, units of the Korean People’s Army and

the Korean People’s Security Forces, commissions of the Administration Council, working people’s organizations, educational and cultural and art organs, and party and power bodies, administrative and economic organs and factories in Pyongyang.

Written on the ribbons hanging on the baskets were the words “Victory and Glory To the Officers and Men of the Heroic Korean People’s Army!” and “Honor To the Officers and Men of the Heroic Korean People’s Army!”

Bouquets of flowers were laid by working people of different strata and People’s Army soldiers.

Choe Kwang, Choe Tae-pok, Kim Pong-yol and Hwang Chang-yop were among the party and government cadres present on the occasion.

‘Talk’ Marks 46th Anniversary

SK0909140994 *Pyongyang Korean Central Broadcasting Network in Korean* 0700 GMT 9 Sep 94

[Unattributed talk: “Singlehearted Unity Is the Source of Our Republic’s Invincible Might”]

[Text] Today, under circumstances in which our people are achieving new upsurges in socialist construction by turning the great sorrow of having lost the great leader Comrade Kim Il-song into might and courage, they have ushered in the 46th anniversary of the founding of the DPRK, the glorious fatherland.

On the national day, our people are now looking back with high pride and dignity upon the fact that over the 46 years since its founding, our republic has been turned into an invincible socialist power, which has been prosperous and thrived under the wise leadership of the great leader and the dear comrade leader, and has emitted its brilliant light to the entire world.

Today, our republic is distinguishing itself as an invincible nation marching forward under chuche, unflinching under any trend or tendency of the times. This is because the entire society is in singlehearted unity around the leader [suryong].

The dear leader Comrade Kim Chong-il has indicated [chijok hasiotssumnida]: The singlehearted unity of the leader [suryong], the party, and the masses is the source of the might and invincibility of our country’s socialist system, and is a basic factor for which our socialism can be unflinchingly ever-victorious under any stormy circumstances.

Today, our republic, which was founded by the great leader Comrade Kim Il-song and which is being led by the dear leader Comrade Kim Chong-il, highly displays the might of singlehearted unity in all sectors of the revolution and construction.

Singlehearted unity is the source of our republic’s invincible might. Above all, this is because singlehearted unity

allows the popular masses to occupy the position of the powerful subjects [chuche] of the revolution and fulfill their role as such.

The might of our republic lies in the might of the subject of the revolution; the might of the subject of the revolution lies in the singlehearted unity of the leader [suryong], the party, and the masses.

Today, our people have realized the most solid singlehearted unity which is unprecedented in history, thereby turning themselves into the independent subject of revolution that is vigorously pushing for our revolution and construction.

Today, our people are tenaciously struggling to carry through to the end the revolutionary cause of chuche, which was pioneered and led by the respected and beloved leader, while upholding the great leader [yongdoja] of our party and people Comrade Kim Chong-il—the genius of the revolution and construction and the supreme commander of the revolutionary armed forces—and while more firmly rallying around the comrade leader [chidoja].

All our party members and workers—who have held in high esteem the party and the leader [suryong] under the loyal slogan “What the party decides, we will do!”—are waging a vigorous struggle to achieve great upsurges and innovations in all sectors—political, economic, and cultural—of the revolution and construction, thoroughly carrying through the revolutionary economic strategy which has been put forth by the party with a single burning heart to devote their loyalty and filial piety to the dear comrade leader today.

Like this, our republic is endlessly prosperous and thriving, and its might is being consolidated as invincible because all people are vigorously pushing for the revolution and construction under the outstanding and seasoned leadership of the comrade leader [chidoja], while forming themselves as the powerful subject of revolution in the singlehearted unity around the dear comrade leader [chidoja].

Herein lies one of the bases on why singlehearted unity serves as the source of the invincible might of the republic.

The singlehearted unity of the leader [suryong], the party, and the masses serves as the source of the might which has made our republic an ever-victorious, invincible power. This is also because such unity serves as a firm guarantee for the country's economic and military might.

A country's might can be an ever-victorious, invincible might when political and ideological might is backed up by economic and military might.

The strong self-reliant national economy and the self-supporting national defense capabilities, which we are

possessed of, serve as an important indicator characterizing the might of our republic.

Our republic's self-reliant economy and self-supporting national defense capabilities are a brilliant fruition which has been brought about by the wise leadership of the party and the leader [suryong], and by the singlehearted unity of our people firmly united around the party.

Under the wise leadership of the great leader and the dear comrade leader, our people have overcome all kinds of difficulties and hardships, and built with their own efforts a powerful heavy industry, a modern light industry, and a developed rural economy; they have built the one-is-a-match-for-a-hundred revolutionary armed forces, firmly united in one mind and one will. As a result, our republic has been able to develop the economy and culture with its own efforts, to manage the nation's economic life, and to reliably defend the country's security [anjon] and people's happiness with its own might.

If we had been devoid of a strong self-reliant national economy and self-supporting national defense capabilities, we would not have been able to make a living with our own efforts under the complicated situation of today, nor would we have been able to survive the anti-socialist, anti-republic maneuverings by the imperialists and reactionaries.

However, thanks to the might of the perfect harmony of the party and people—the might of singlehearted unity—which has been provided by the dear comrade leader, our people have been able to decisively [tanhohui] smash the imperialists' repeated vicious political pressure, economic blockades [pongswae], and maneuverings of military threat, and determinedly defended the republic and the socialist system while depending upon the country's economic and military capability.

Because of this, the singlehearted unity of the leader [suryong], the party, and the masses serves as the source of invincibility and solidity of our republic, and as the basic factor for which our socialism can be unflinchingly ever-victorious under any stormy circumstances.

In the whole course in which they had founded, strengthened, and developed the republic, the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il conducted the politics of trust and benevolence and had all members of society united around the party, while taking deep interest in the work of building our society as a grand household in unity and cohesion.

In particular, to suit the demands of the developing revolution—that the entire society should be chuche-oriented—the dear comrade leader realized singlehearted unity by combining the leader [suryong], the party, and the masses as one social and political body, thereby placing the unity and cohesion of the party and people on the highest stage and turning our society into

an invincible revolutionary grand household which nothing can break or demolish.

Like this, as long as there exists the seasoned leadership of the dear leader Comrade Kim Chong-il, and as long as the entire party and all people are in singlehearted unity around the comrade leader [chidoja], our republic will be more prosperous and will thrive with each passing day, and will soar high and shine as an ever-victorious, invincible power.

Our Korean people's great glory and happiness lie in possessing the DPRK—the invincible, mighty socialist fatherland—because it has realized the singlehearted unity of the leader [suryong], the party, and the masses—the unity which no country can achieve. Because of the great republic which is ever-victorious and invincible, our people today are enjoying their freedom and happiness to their hearts' content, and as a dignified and prestigious people are receiving support and encouragement from the world's people.

Our people will more sturdily consolidate the invincible might of the republic by keeping this honor and dignity deep in their hearts, and by more firmly rallying in singlehearted unity around the dear leader Comrade Kim Chong-il in conformity with the great leader's lifetime will.

Cadres Lay Wreaths, Floral Baskets

SK1009101294

[Editorial Report] Pyongyang Korean Central Broadcasting Network in Korean at 1100 GMT on 9 September carries a three-minute report on the laying of wreaths at the Taesongsan Revolutionary Martyrs Cemetery by party and government cadres, working people, soldiers of the People's Army, and students and school children on the morning of 9 September during the 46th anniversary of the DPRK founding. The report states: "The wreath sent by the great leader [widaehan yongdoja] of our party and people, Comrade Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the Korean People's Army [KPA], was seen placed at the wreath-offering stand." The report also notes: "Among those who participated in the wreath laying were Comrade Kang Song-san, Comrade Kim Yong-nam, Comrade Kye Ung-tae, Comrade Kim Chol-man, Comrade Hong Song-nam, Comrade Yang Hyong-sop, Comrade Hong Sok-hyong, Comrade Paek Hak-nim, Comrade Kim Kwang-chin, Comrade Kim Ki-nam, Comrade Kim Chung-nin, Comrade Kong Chin-tae, Comrade Pak Nam-ki, and Comrade Chon Mun-sop."

Pyongyang Korean Central Broadcasting Network in Korean at 1100 GMT on 9 September carries a two-minute report on the laying of wreaths at the Patriotic Martyrs Cemetery by party and government cadres and working people on the morning of 9 September during the 46th anniversary of the DPRK founding. The report

states: "The wreath sent by the great leader of our party and our people, Comrade Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the KPA, was seen placed at the wreath-offering stand." The report also notes: "Among those who participated in the wreath laying were Comrade Yi Chong-ok, Vice President Kim Pyong-sik, Comrade Kim Yong-sun, Comrade Chang Chol, and Chairman Yu Mi-yong of the Chondoist Chongu Party Central Committee."

Pyongyang Korean Central Broadcasting Network in Korean at 1100 GMT on 9 September carries a two-minute report on the laying of floral baskets at the Fatherland Liberation War Victory Monument by party and government cadres, working people, and soldiers of the People's Army on the morning of 9 September. The report states: "The floral basket sent by the great leader of our party and our people, Comrade Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the KPA, was seen placed in front of the Statue of Victory, the central theme of the war victory monument." The report notes: "Among those who participated in the floral basket laying were Comrade Choe Kwang, Comrade Choe Tae-pok, Comrade Kim Pong-yul, Comrade Hwang Chang-yop, and Comrade Yun Ki-pok."

'Rare Bumper Crop' in Yonbaek Plain Reported

SK1209152594 *Pyongyang KCNA in English 1510 GMT 12 Sep 94*

[Text] Pyongyang, September 12 (KCNA)—A rare bumper crop has visited the Yonbaek plain, a granary on the west coast of Korea.

An increase of over 78,000 tons in grain harvest is foreseen in the plain over last year.

The Yonbaek plain is one of the major bread-baskets of Korea.

Before the liberation of the country, the agricultural output in the plain was insignificant under the Japanese imperialists' policy of colonial looting. After the liberation, the plain was divided into two parts, the North and the South, due to outside forces and the splittists. The area South of the 38th parallel was devastated under the colonial fascist rule of the U.S. imperialists and the South Korean puppet clique.

The southern area of the plain was freed from the colonial rule in the fatherland liberation war.

The plain has been turned into a bountiful grain producer after the ceasefire thanks to the correct agricultural policy of the Government of the Democratic People's Republic of Korea.

With a large investment, the state has increased the agricultural output on this plain. It built reservoirs including the Kuam reservoir and more than 500

pumping stations, excavated waterways extending several thousand kilometres and built many irrigation setups.

Recent years have witnessed the completion of the River Yesong-Yonbaek plain waterway to fully solve the water problem in this plain where poor crops were reaped due to water shortage before the liberation, although the soil was fertile.

With the completion of irrigation, no small area of non-paddy fields and tideland have been turned into paddy fields, expanding their area more than 5,000 hectares as against the figure at the end of pre-liberation 1944.

There are several dozen cooperative farms in the Yonbaek plain occupying most of Yonan, Chongdan and Paechon Counties, South Hwanghae Province.

Each co-op farm has many tractors and lorries as well as trailing, rice-transplanting, rice seedling plucking and other farm machines.

The level of mechanisation has been enhanced with the additional supply of nearly 1,000 tractors, lorries, rice-transplanting machines and other farm machines and vehicles in march this year.

In August last year, the great leader President Kim Il-song visited co-op farms in the plain where crops ruled good. Counted the number of the ears of rice per pyong (one pyong equals six feet square) and the number of the grains per ear. He expressed deep satisfaction over the successful farming in the plain on the basis of the chuche farming method.

Deeply moved by the teachings given by the great leader on the spot, the farmers resolved to produce more grain this year and applied 140 percent as much compost and fertilizers of quality to all the fields as in the previous year.

The agricultural working people of the plain are now tending the crops with utmost care while concentrating on maize harvesting, remaining true to the intention of respected President Kim Il-song in his lifetime.

Ceremony Held To Unveil Bust of Hero Yu 8 Sep
SK1009043794 Pyongyang KCNA in English 0421 GMT 10 Sep 94

[Text] Pyongyang, September 10 (KCNA)—The bust of Yu Kyong-nam, hero of the Democratic People's Republic of Korea, was unveiled and a senior middle school was named after him with a due ceremony on Thursday.

Yu Kyong-nam joined the Korean People's Army [KPA] after graduating from the Yedong Senior Middle School in Hwangju County, North Hwanghae Province and died

at the young age of 22 after saving revolutionary comrades-in-arms by covering with his body a grenade exploding unexpectedly while on combat duty.

Comrade Kim Chong-il, the dear leader of our party and our people and supreme commander of the Korean People's Army, took care that the title of hero of the DPRK was awarded to corporal of the KPA Yu Kyong-nam in high appreciation of his noble fighting spirit and merits, and his alma mater was renamed Yu Kyong-nam senior middle school and a bust of the hero erected there.

Official: Pyongyang Reconsidering Asiad Boycott
OW1009095394 Tokyo KYODO in English 0818 GMT 10 Sep 94

[Text] Pyongyang, Sept. 10 KYODO—North Korea is reconsidering sending its officials to Hiroshima for the Asian Games in response to a letter by Hiroshima Mayor Takashi Hiraoka urging their participation, according to a North Korean olympic official.

Pak Myong-chol, president of the North Korean Olympic Committee and chairman of the State Physical Culture and Sports Committee, told KYODO NEWS SERVICE that he informed visiting Japanese House of Councillors member Kanji (Antonio) Inoki on Wednesday [7 Sep] that there was no way North Korean officials could visit Hiroshima.

But the letter Inoki brought with him persuaded North Korea to reconsider the matter since it has ardently sought the participation of North Korean officials, Pak said.

"We regard the letter by the Hiroshima mayor as containing a 'new proposition'," another state physical culture and sports committee official said without elaborating.

Inoki, who has been in North Korea since Tuesday, has called on Pyongyang to dispatch officials even if the athletes could not come.

Inoki was originally scheduled to visit North Korea in July and deliver Hiraoka's letter, but the trip was canceled following the sudden death of North Korean President Kim Il-song.

NODONG SINMUN Eulogizes 'Harmonious Unity'

SK0909113494 Pyongyang NODONG SINMUN in Korean 24 Aug 94 p 2

[Article by NODONG SINMUN reporter Kim Chong-ung: "Great Perfect Harmony"]

[Text] How are the strength and invincibility of the country and nation and the people's happiness achieved?

This is a pressing issue the present era raises in terms of history.

Our Korea has made itself clearly known as a country that has strong unity, and our people are widely known as invincible people who are overcoming all difficulties on the strength of single-hearted unity.

Today, the world has again come to know that the highest and most powerful unity and cohesion is perfect harmony [honyon ilche].

Korea is a country of perfect harmony.

Perfect harmony of the great leader [yongdoja] and the people!

All our strength and spectacular victories were achieved by this perfect harmony. The destiny of our people and their happiness come from this perfect harmony and has come into full blossom because of this perfect harmony.

The true appearance of perfect harmony and its strength are clearly proven and fully displayed at difficult times.

During those sorrowful days when our people and mankind were overwhelmed with great sorrow because of the death of the great leader, the nation's father and the sun of the independent world, people all over the world were thinking about the destiny of Korea, that of mankind, and the future of the cause of independence and turned their attention to our country.

Our friends expressed their worry about how the Korean people would overcome the pain from a loss as great as pain from the collapse of heaven.

People who were not friendly to us were quietly watching to see if any big change may take place in Korea, where the nation's leader [yongsu] was lost.

However, our great perfect harmony has not broken up or shattered to pieces even though a bolt hit us out of the blue.

What the world saw was the pure perfect harmony of Korea, which underwent the most difficult test at the most difficult times, and the extraordinarily perfect harmony of Korea, which was further strengthened amid the greatest sorrow.

Because of the perfect harmony, Korea displayed its strength throughout the world, and its name was dignified brilliantly throughout the world.

What strength and courage have made it possible for our people to boldly stand up through the sunken heaven?

What mental pillar has made it possible for our people to stand up boldly through the sea of sorrow?

Let us briefly listen to the voices of faith that resounded throughout our mountains and rivers:

Because there is the dear comrade leader, the fatherly leader will always be with us!

Because the dear comrade leader defends our destiny, we have nothing to be afraid of and we will not hesitate to do anything!

Listen to the heartbeat of any of our party members and workers who are scoring great upsurges in all fields of revolution and construction in hearty response to the respected and beloved leader's will! Then, you will hear all of them vigorously shout: Because we have another great leader [ttohanbunui widaehan yongdoja], we can complete the fatherly leader's [suryongnim] revolutionary cause.

There have been shouts of faith, along with the sound of mourning, which have filled the heaven and earth since the very surprising sad news broke.

They were an explosion of the joy of mankind who has keenly realized how fortunate and proud we are because we have the dear comrade leader for our destiny and life, the victorious advance of the revolution, and the future of the chuche cause today, when we lost the fatherly leader.

The dear leader Comrade Kim Chong-il, who has perfectly embodied the fatherly leader's outstanding traits and qualifications!

Dear Kim Chong-il [chinaehanun kui kkaesonun] is a great leader [yongdoja] who is leading our people to victory, overcoming all sorrows with a strong will and standing firm at the vanguard of the party, state, and revolutionary Armed Forces in today's difficult period.

Our people have boldly stood up, winning far greater strength and courage from dear Kim Chong-il's [chinaehanun kui ui] iron will and outstanding leadership traits.

We are blessed with the leader [suryong pok] generation after generation.

This is the source of the firm faith and the pillar of hearts that enabled our people to make a firm pledge and change the sorrow into strength and courage while swallowing their tears.

At a time when all the people throughout the country are thinking about being blessed with the leader, history is engraving another emotional story on its pages.

A late night in July during the mourning period, the dear comrade leader visited Mansudae Hill where the fatherly leader's statue is erected.

During the bitter time of the mourning period, the dear comrade leader was with the people, who were sleepless with sorrow.

That rainy night, our people solemnly walked up the stairs of the fatherly leader's statue, shedding tears with thoughts of the fatherly leader. When they reached his statue, they burst into tears hugging the footstone and wailed.

Youth and students covered the wreaths, which were to be laid before the fatherly leader's statue, with their clothes fearing they would be harmed by the rain.

While looking at them, the dear comrade leader could not check his overwhelming emotion.

Comrades, bear in your hearts forever the great significance and heart-moving stories that are implied by the warm tears of the dear comrade leader when he looked for a long time at our people, who soaked their face with tears in the heavy rain and storm, overflowing with a burning pledge.

While spending time with functionaries, the dear leader Comrade Kim Chong-il said that he could not resist his overwhelming emotion when he thought about what he saw that night, and that our people are truly noble people, whose ideological, emotional, spiritual, and moral ethos to admire and to uphold the leader [suryong] cannot be compared to that of people of any country throughout the world. Also, he said that although the people say they are blessed with the leader, he said we are blessed with the people.

The dear comrade leader is always with our people and gains strength and courage from the appearance of the loyal people.

Such a person is our dear leader. The dear leader and the people are firmly linked together by blood ties, sharing not only joy but also bitter grief.

Let us recall the events that took place one day in June.

That day, the dear leader Comrade Kim Chong-il told functionaries about our unique harmonious unity, saying:

"All of our people are saying that they are blessed with the leader. I cannot resist thinking that I am blessed with the people when I see such nice people."

The leader is blessed with the people!

The people are saying they are blessed with the leader because the leader is so great; and the leader is saying he is blessed with the people because the people are so nice. What an impressive picture of harmonious unity between the leader and the people!

Look in all the pages of mankind's history.

You cannot find the term "blessed by the leader" or "blessed by the people" in any dictionary of any country in any era.

Blessed by the leader. The phrase is a felicitous remark that can only be thought by and made by our people, who uphold their leader [yongdoja] as the sun in the sky.

Blessed by the people. The phrase is a great philosophical wise saying that was thought of and said for the first time

in history by our dear comrade leader, who has a lofty outlook on people and who admires the people as the heaven.

Through the ages, mankind has blended hope, joy, and happiness in one word: "blessing," of which it has made numerous stories. The desire for blessings by every people is virtually the most desperate and life-or-death demand for an independent [chajujok] and creative life. Mankind's history, in which people shed blood and sweat to eliminate the brutality of nature and all sorts of calamities and disasters of society and win freedom and happiness, was a process of struggle to take their destiny into their own hands and pioneer the destiny, and was a ceaseless struggle to transform disaster into blessing and enjoy all the happiness.

In connection with blessings, in the past our people had no choice but to regard only something like the Five Blessings [longevity, wealth, health, love of virtue, and peaceful death] at most as their supreme ideal, while so ardently thirsting for blessings. However, entering the era of the Workers' Party they have come to realize that the combination of the blessing with a leader and the blessing with people is the source of all kinds of blessings.

The blessing with a leader is the supreme happiness of the people who uphold a most prominent leader as their leader.

The blessing with people is the supreme happiness of a leader who has outstanding people. Without the blessing with a leader and the blessing with people all kinds of blessings cannot effloresce. Between a leader and people firm cohesion should be formed in ideological will and morally, and, at the same time, the perfect harmony of sharing happiness must also be formed.

Look at the world! People's destinies change and the line between misfortune and happiness is drawn depending on their misfortune and fortune. Why?

Some people enjoy an independent and creative life, while some other people have been mercilessly deprived of their dignity, suffering all kinds of hardships. What has caused this?

In order for the people to pioneer, inherit, and consummate their sacred revolutionary cause and to lead an independent and creative life, they should have the blessing with a leader. This is the philosophical principle of the revolution, which has been recorded in the history of our people's struggle.

In the early 20th century of ordeal, when the world and all mankind were suffering from unprecedented misfortune under the claws of imperialism, our people were trampled underfoot by the rule of Japanese rascals and were suffering from the oppression of feudalism, and the Korean nation's miserable situation was beyond description.

Our people were stabbed with daggers, the land of our country was submerged into a sea of blood, they were frozen to death and starved to death, and even their names were divested. They had to leave their homes. They had no place to be buried after they died. Indeed, their destiny was too miserable.

In the period of ordeal in which the whole land was full of misfortune and disaster, our people were ardently waiting for the advent of a great man who could eliminate all sorts of misfortune and bring about blessing.

The great leader Comrade Kim Il-song!

He was the sun of guidance who brilliantly elucidated the road toward which countries and nations in the world should advance with his great ideology.

Only the great leader Comrade Kim Il-song could create a new, ever-victorious history in which the revolution is staunchly advanced along the path of independence without knowing throes, slackness, and vicissitudes. It was precisely our leader [suryong] who embraced all people and bestowed joy and happiness upon them with his vast, lofty, benevolent character, and virtues that history had never witnessed.

Indeed, because they uphold the great leader Comrade Kim Il-song as their leader our people have become a happy people enjoying the genuine blessing with a leader in their history.

All kinds of blessings that our people enjoy today took root in this land already at the time when they greeted the fatherly leader. Because of this, our fatherland became the glorious cradle of happiness that sings the greatest blessing with a leader in the history of mankind.

The dear leader Comrade Kim Chong-il has indicated: "As I said before without a great leader a great people cannot emerge. The advent of a great people begins with the advent of a great leader. Therefore, if there is the blessing with a leader, at the same time, the blessing with people is to emerge."

The whole history of our revolution, which was pioneered and has been victorious under the leadership of our great leader, has been a proud course on which the blessing with people has emerged thanks to the blessing with a leader and all kinds of blessings have been formed and fully effloresced in this land thanks to both the blessing with a leader and the blessing with people.

The dear leader Comrade Kim Chong-il!

Upholding the dear leader who has possessed the character and personality of the great leader as they are as the excellent leader was another great felicitous event that made it possible to unfold a flowering time of all kinds of blessings in this land. This felicitous event, which began with the advent of the bright star of Paektu, has unfolded a new era of great happiness that has bestowed upon our people a blessed life—which no other people in this

world can experience—and dignity and honor—which no other people in this world can possess.

A country where people sing about being blessed with the leader! Our fatherland where the leader talks about being blessed with the people!

What do people think about when they behold this impressive picture never seen in human story?

That is the endless joy of having an extraordinary man as the great leader [widaehan yongdoja], who truly feels and talks about being blessed with the people.

Here lies the true significance of the being blessed with the leader deeply felt by our people, and our people's distinct happiness and honor of having a true people's leader [inminjok yongdoja].

It is the people's most generic and lofty ideological emotion and virtue to respect and trust a great man, who values them, cares for them, and pays a high tribute to them, and to take it as an unequaled blessing to live under the care of such a leader [yongdoja].

Our dear Comrade Kim Chong-il!

He is a true people's leader [chidoja], who wholly succeeded the ardent human love, and thorough outlook on people and happiness of the respected and beloved leader, who embodied the admiration toward people on the loftiest level.

The dear comrade leader said that the more the people sing the songs of admiration, the more he pays a high tribute to the people; the stronger the people express their affection of trust, the more he thinks about more devotedly serving them.

Whenever he hears that the people sincerely ask not to worry too much when the party pays attention to the people's living, the dear comrade leader would say our people are truly good people and let us serve the people better.

Our dear comrade leader was the one who most ardently congratulated our people and instructed to fire gun salutes when he saw a million people rallying along the streets of the capital, saying how nice these people are.

On an early morning, the dear comrade leader once again went up to the Mansudae hill.

One cannot help being moved to tears when he sees people still visiting the statue of the great leader at 0300 in the morning, even though the official mourning period is over, and expressing their resolve to uphold the leader's will he left us.

That day, the dear comrade leader said to a functionary:

"I just looked around Pyongyang. During the course, I felt again that our people are truly good people."

He takes every opportunity to pay a high tribute to the people even though it was he himself who fostered our

people as excellent people who value the leader [suryong] and the party. How deeply moving is our dear Comrade Kim Chong-il's endlessly lofty virtue and modesty as a people's leader.

There are different views on blessing depending on the class and social systems. Demands for happiness ceaselessly become higher as the society develops. Blessing and fortune do not just drop from the sky and are not a present given by somebody.

Unlike exploiting classes and bureaucrats who enjoy being well-fed and well-dressed while doing nothing, the working popular masses take it as the greatest blessing to uphold the great leader [widaehan suryong], who leads them to live and struggle like human.

Having grown up as a resolute revolutionary, who knows how to capture true happiness through struggles, and being the awoken independent [chajujogin] main force of revolution. Our people take this as the greatest joy and satisfaction, and the utmost benevolence from the leader [suryong].

Our dear comrade leader take it as the greatest love toward people to always arm the people with the consciousness of independence [chaju uisik] and make them ideologically awaken.

Because we are embraced in his dear bosom, our people do not know of flunkeyism and doctrinism but have grown up to become independent [chajujok] people with strong national pride, and the people with the highest dignity, who love justice and truth, and do not allow the least subjugation and suppression in any form.

All of our people's heroic mettle, revolutionary character, revolutionary faith, strong sense of organization, and sense of discipline—of which the world's people are envious—have been given to us by the dear leader. As seen in the fact that he has endlessly sent letters of thanks and autographed replies to party members, workers, People's Army soldiers, and youths of the new generation across the country, our dear comrade leader is most delighted and satisfied to see our people grow up as the most dignified, noblest, and beautiful human beings with the noblest character in the world today.

Whenever they experience such fortune, how deeply moved our people are in realizing their sense of pride in being blessed with the leader and in realizing the truth that the bliss of having the people is possible because there is the bliss of having the leader.

We can say the confrontation between the progressives and reactionaries, which is being acutely carried out in the international arena today, is a serious struggle of either bringing bliss to the people or inflicting disaster upon them.

Capitalism, which is reactionary to history, deprives the working popular masses of their genuine freedom and happiness. If capitalism should be driven out of politics,

then socialism, which is the future of mankind, will be able to allow the working popular masses to become the masters of their own fate and country, and have them deal with state affairs [chongsa] in accordance with their will.

Capitalism turns people into politically handicapped men; allows society to be dominated under the mode of living in conformity with the law of the jungle; and lets immoral, depraved, and inhuman social evils of all kinds prevail. Socialism makes it possible for people to become boundlessly noble, wholesome, and beautiful human beings, and turns society into a grand and harmonious household.

Capitalism imposes starvation, extreme poverty, antagonism, jealousy, war, and massacre; socialism guarantees unity, harmony, a stabilized living, and peace.

Such a diametrical difference seen throughout the world eloquently proves the truth that if maintained, socialism is bliss; if discarded, socialism is a disaster.

What are the serious lessons and greatest truths people have come to keenly realize when they are looking at the fact that in some countries, people are suffering from a disaster as a result of the collapse of socialism?

The lesson and truth are that the lifeline lies in holding in esteem an outstanding great man as the leader [yongdoja], in continuously putting into full bloom and vigorously defending the happiness which has been achieved and realized with blood and sweat.

Dear leader Comrade Kim Chong-il!

He is a resolute defender of all blisses who is determinedly safeguarding the socialist paradise, which the fatherly leader had devoted all of his life to building; the people's happiness; and the revolutionary gains.

Our dear comrade leader is the great benefactor and father [oboi], defending socialism and the people's fate while shouldering all burdens—whenever the fatherland and nation are faced with severe hardships—and smashing the dark designs and maneuverings of reactionaries of all kinds who are trying to inflict disaster upon our people.

Through today's happiness, which they are enjoying every day and every moment in the cradle of socialism, and through today's majestic reality in which our-style of socialism is marching forward victoriously and unflinchingly even in the face of the major loss of the fatherly leader during which our people felt as if their hearts would break, how greatly they are blessed with a leader from generation to generation.

Today's era of the Workers' Party is really the era in which the people are singing the bliss of having the leader, and the leader [yongdoja] is singing the bliss of having the people; it is the era in which national strength has become powerful and all kinds of blisses are bursting

into full bloom because the blisses of having the leader and the people are overflowing.

The leader [suryong] and the people, the people and socialism, socialism and blisses are inseparably connected with each other systematically. This is a boundlessly proud and noble scene which can be seen only in chuche Korea in which the great leader [yongdoja] and people are in perfect harmony.

Really, there is no power in the world which can break such perfect harmony in which the great leader [yongdoja] and people always share their fate.

South Korea

IAEA Urges North To Implement Safeguards Accord

SK1309020194 Seoul YONHAP in English 0156 GMT
13 Sep 94

[Text] Berlin, Sept. 13 (YONHAP)—The International Atomic Energy Agency (IAEA) urged North Korea again Monday [13 September] to fully implement the nuclear safeguards agreement, while describing the partial progress made recently in Pyongyang- Washington talks as encouraging.

The IAEA Board of Governors discussed the North Korean nuclear problem for about an hour, adopting a presidential summary on the first day of its regular session at IAEA headquarters in Vienna.

The board agreed that the nuclear safeguards agreement North Korea signed remains valid in spite of its withdrawal from the IAEA and, therefore, that the accord should be fully implemented.

In addition, the governors expected that the ongoing North Korean-U.S. dialogue would produce constructive results.

They gave positive marks to certain aspects of the Pyongyang- Washington talks, but underscored the fact that the responsibility to honor the safeguards agreement is not subject to negotiation but a legal duty. "Negotiations cannot replace duty," they emphasized.

The North Korean delegation did not attend the meeting, although the agency had invited them.

Meanwhile IAEA Director-General Hans Blix, in a report on the North Korean nuclear dispute, said he believes that the North has yet to reprocess spent fuel rods extracted from its 5-megawatt reactor at Yongbyon. He has not been able to confirm, however, if North Korea has installed new fuel rods in the reactor, he said.

The IAEA analyzed various samples during its inspection activities in Yongbyon last March and May and confirmed that the North Koreans had not done any reprocessing since February 1993, when agency inspections had to be stopped, the report said.

The IAEA inspection team, however, confirmed that a new reprocessing line was being constructed inside a key radiochemical laboratory at Yongbyon and that work was already in the final stage last spring. It has not been able to observe first-hand whether the line has been completed.

North Korea clarified on Sept. 5 that it will expand the team's scope of inspections. As a result, checks of the radiochemical laboratory, nuclear fuel storage facilities and a nuclear fuel manufacturing plant are expected to begin soon, Blix added.

Gallucci's Agenda During Seoul Visit Issued

SK1309083094 Seoul YONHAP in English 0801 GMT
13 Sep 94

[Text] Seoul, Sept. 13 (YONHAP)—Assistant Secretary of State Robert Gallucci, chief U.S. negotiator on the North Korean nuclear issue, comes to Seoul Wednesday for a three-day visit packed with high-level consultations with South Korean officials before the next round of talks resumes with Pyongyang.

Gallucci will fly into Seoul from Tokyo Wednesday evening. He begins his work Thursday at meetings scheduled with Foreign Minister Han Sung-chu and Deputy Premier-unification Minister Yi Hong-ku in the morning.

He will sit down to a coordinating session Thursday afternoon with South Korean Nuclear Ambassador Kim Sam-hun.

Gallucci plans to call on President Kim Yong-sam Friday before departing in the afternoon.

The coordinating session has taken on added weight as Lynn Turk, a State Department deputy director in charge of North Korean nuclear affairs, will join Gallucci's entourage.

Turk was the chief U.S. representative at the expert-level meeting that just concluded in Pyongyang on exchanging liaison offices with North Korea.

The experts were the first Americans to set foot inside the hermit kingdom since North Korean President Kim Il-song's death two months ago.

Gallucci's visit precedes the next round of U.S.-North Korea high-level dialogue opening Sept. 23 in Geneva. The two sides held separate experts' talks on liaison offices, converting North Korea's reactor system, providing alternative energy during the conversion process and disposition of nuclear fuel rods recently removed from the North's reactor.

Seoul and Washington will discuss the results of these expert-level talks. They are expected to re-emphasize basic principles—that inter-Korean relations have to

progress in parallel with U.S.-North Korea ties and that Seoul must be the chief supplier of reactors for North Korea.

Gallucci Says U.S.-Seoul Alliance 'Solid'

SK1009010794 Seoul YONHAP in English 0053 GMT 10 Sep 94

[Text] Washington, Sept. 9 (YONHAP)—Washington stands firm on the necessity of conducting special inspections of North Korea's nuclear facilities but is willing to be flexible on the timing, U.S. Assistant Secretary of State Robert Gallucci said Friday.

The United States wants inter-Korean relations to move along with improvement in U.S.-North Korean ties, and Seoul should be the principle supplier of light-water reactors to Pyongyang, he asserted.

Gallucci, chief nuclear negotiator for the American side, addressed the North Korean nuclear issue at a breakfast press meeting arranged by the Carnegie Endowment for International Peace. His remarks come two weeks before high-level talks resume with Pyongyang.

Refuting reports of shaky Seoul-Washington coordination in dealing with the nuclear problem, Gallucci called the alliance as "solid as it has ever been."

"We are not about to seek a rapprochement with the North at the expense of our relations with the South," Gallucci stressed. "We are looking for improvement in North-South relations as we move ahead in our improvement—or hopefully with our improvement—of relations with the North."

Neither the United States nor any other country will give a light-water reactor or nuclear components of any kind to North Korea unless it complies fully with nuclear safeguards, he said.

"...And right now that means (North Korea) accepting the implementation of special inspections. And there's no room there for maneuver."

He went on to describe a phased settlement with North Korea, divided between steps that can be taken immediately and those that require years to carry out.

Pyongyang, for instance, could return immediately to the Nuclear Non-Proliferation Treaty (NPT), freeze reactor construction and forgo reprocessing.

Building and starting to operate a light-water reactor takes a number of years, he pointed out.

Special inspections are not needed immediately for a settlement to be successful, Gallucci said. "We are prepared to allow the implementation of the special inspections to take place somewhat later in the settlement process."

The actual provision of light-water reactors would involve a number of countries. "Certainly it would

involve a central role by South Korea, both in terms of construction and in terms of financing, but we do envision other countries being involved as well," he said.

He dismissed the possibility of providing the German model of reactor, saying he is not aware of any such discussion.

"...At the moment, that is not what we see as the most plausible, the most likely and the most desirable."

DPRK-U.S Experts' Pyongyang Talks Analyzed

SK1309050694 Seoul YONHAP in English 0457 GMT 13 Sep 94

[Text] Seoul, Sept. 13 (YONHAP)—North Korean and U.S. experts on opening liaison offices released a joint agreed statement Tuesday [13 September] in Pyongyang describing the talks as "serious and cooperative."

Lynn Turk, deputy director in charge of Korean Affairs at the U.S. State Department and chief delegate to the Pyongyang talks, will come to Seoul to personally brief South Korea on the outcome of the meeting, Foreign Ministry officials said.

"Both sides discussed detailed technical matters that would be related to the exchange and establishment of liaison offices in the context of an overall agreement," the statement read.

"The discussion proceeded in a serious and cooperative atmosphere," it continued. "Both sides agreed to report the outcome of their discussions on the establishment of liaison offices to their respective governments."

The Pyongyang meeting, part of a comprehensive package deal struck by North Korea and the United States in trying to resolve the dispute over Pyongyang's nuclear program, was tasked with finding out the necessary steps to exchange liaison offices.

Officials here said Pyongyang wanted to announce a more detailed statement but Washington declined on the grounds that the talks were strictly at the expert level, making it inappropriate to reveal the contents.

The officials said they are waiting for a direct briefing by Turk, who flies into Seoul Wednesday via Beijing.

'First Meaningful' Document

SK1309041594 Seoul KBS-1 Radio Network in Korean 0300 GMT 13 Sep 94

[Text] On 13 September, the United States and the DPRK issued a joint statement [songmyong] concluding the expert-level talks held in Pyongyang to discuss liaison offices.

We will get details via telephone from reporter Yi Kang-tok. Yi, go ahead:

[Begin Yi recording] At noon [0300 GMT] on 13 September, the United States and North Korea issued a joint

statement on the holding of expert-level talks to establish liaison offices, winding up the talks.

This joint statement is a brief four sentences which states that the two sides held talks; makes it clear, in detail, that the two sides held working-level talks from 10 to 13 September; states that the two sides dealt with working-level and technological matters concerning the exchange and establishment of liaison offices; and states the discussions proceeded in a sincere and cooperative atmosphere, with the two sides deciding to report the results about the discussions to their governments.

This statement is evaluated as the first meaningful diplomatic document the United States and North Korea—which are still in hostile relations—issued in Pyongyang, the capital of North Korea.

The U.S. delegation, which arrived in the North on 10 September, is expected to leave Pyongyang today.

Meanwhile, Lynn Turk, chief U.S. delegate to the latest talks, is expected to leave Pyongyang and enter the ROK together with delegate Gallucci [as received], who will visit the ROK tomorrow, to convey the results of the talks to our side.

This has been Yi Kang-tok, KBS News, reporting from the Ministry of Foreign Affairs. [end recording]

U.S. Delegates Arrive in Beijing From Pyongyang
SK1309074894 Seoul KBS-1 Radio Network in Korean 0700 GMT 13 Sep 94

[Report by correspondent Yi Tong-sik from Beijing]

[Text] The U.S. State Department working-level delegation, that entered Pyongyang on 10 September and held an experts meeting with the North Korean side on establishing the U.S. and North Korean liaison offices, returned to Beijing today.

Lynn Turk, deputy chief of the Korean section of the U.S. State Department who headed the delegation, met reporters at the Beijing airport today and said that the U.S. delegation held several meetings with North Korean Foreign Ministry officials and the atmosphere of the meetings was serious and cooperative.

Chief delegate Turk declined to comment on which North Korean officials attended the meetings. Refusing to further elaborate on the discussions held at the meetings, she said that some particulars will be released through the U.S. Embassy in Beijing this afternoon.

It has been learned that the U.S. delegation will stay in Beijing tonight and report the details of the meetings to its own government.

U.S.-N Expert-Level Talks in Berlin Analyzed
SK1109105994 Seoul KBS-1 Radio Network in Korean 1000 GMT 11 Sep 94

[Report by correspondent Yi Myong-ku from Berlin]

[Text] At the expert-level talks on nuclear technology being held in Berlin, which continued until early on the morning of 11 September, the United States and the DPRK displayed a striking difference of opinion regarding the question of light-water reactors.

At the first day of talks held at the North Korean mission in Berlin, the United States expressed its intention to support an ROK-style atomic reactor as advocated at the Geneva talks.

However, the DPRK continuously demanded that a German-style light-water reactor be used, saying it is difficult to accept an ROK-style reactor.

As regards a German-style reactor, the United States said it is difficult to expect Germany to accept economic burdens and provide the necessary technology, though it should bear the burden in technological and economic terms. Therefore, the United States continuously tried to persuade the DPRK to accept an ROK-style reactor in which the South would take the initiative.

Throughout the talks, the two sides were continuously engaged in tedious arguments over the type of light-water reactor. It was learned that the talks, which began at 0500 [0800 GMT] on 10 September, continued until 0300 [1800 GMT] on 11 September, thereby experiencing rough sailing.

As a result, the question of a light-water reactor is expected to become the most difficult issue at future expert-level talks and the high-level talks to be held in Geneva.

The two sides also talked about disposing of the spent fuel rods and aiding in alternative energy sources, such as electricity and petroleum. However, they decided to continue discussion of the details of these issues tomorrow after consulting with their home countries.

In the meantime, after the talks ended the representatives from the two sides did not answer any questions raised by reporters. They repeatedly said they would see the reporters following the conclusion of the talks.

After resting today, the two sides will continue their talks tomorrow at the Berlin branch office of the U.S. Embassy.

North Proposes Russian Reactor

SK1309080194 Seoul YONHAP in English 0742 GMT 13 Sep 94

[Text] Berlin, Sept. 13 (YONHAP)—North Korea has proposed the latest Russian pressurized water reactor (PWR) for its new atomic power plant construction project and Sinpo, a port city on the country's eastern coast, as the project site at expert-level talks with the United States here.

With the Russian PWR model, which appeared to have been excluded from North Korean consideration due to

safety problems, placed on the table, the U.S.-offered South Korean model faces heavy odds stacked against it.

Informed sources here said Tuesday that at the previous day's expert-level meeting, North Korea, represented by External Economy Commission Vice Chairman Kim Chong-u, made the proposal, noting a feasibility study of Sinpo as the site for new PWR-based power plants has already been completed jointly with the former Soviet Union.

The Russian reactor it wants is the fourth-generation VVER [water-moderated, water-cooled power reactor] model, which is basically identical to the Western PWR in design concept.

Developed for nuclear submarines in the 1950s, the VVER model has since been improved several times, with stress placed on safety measures. Using 3-percent enriched uranium as fuel and water as both a moderator and coolant, this model is different from the graphite-moderated, water-cooled RBMK [high-power pressure-tube reactor] model that became infamous at Chernobyl.

Citing its long-term electric power development plan ending in 2010, North Korea demanded three 600-megawatt fourth-generation VVER reactors for a secure power supply, saying it cannot accept the 1,000-megawatt South Korean model, the sources said.

North Korea also feels Sinpo—Kumho-ri in Sinpo, to be exact—is best suited to serve as the site for new atomic plants for four reasons: Solid ground, it is within three kilometers of the sea, a population of only 5,000 within a radius of three kilometers, and an accessible water supply from the nearby Namdaechon River.

Lying 50 kilometers north of Hungnam and witness to the hasty withdrawal of U.N. troops during the Korean war in the face of an onslaught by Chinese troops from the North, Sinpo is a small port city along the east coast railway linking Wonsan to Chongjin. In 1985, the former Soviet Union offered to build a 400-megawatt-class PWR-based power plant there to persuade North Korea into joining the International Atomic Energy Agency.

It also drew up plans to construct a reactor container to prevent radiation leakage in the event of reactor failure and to build new PWR-based power plants so solid they could withstand an earthquake registering more than seven on the Richter scale.

The U.S. delegation, stressing the difficulty of raising the necessary funds—the most important factor in a nuclear power plant construction project—tried repeatedly to persuade the North to accept the South Korean model.

Such persuasion saw the U.S. side refrain from naming the South Korean model outright, while stressing the inevitability of the South playing a leading role in providing new reactors, the sources said.

Talks 'Virtually Deadlocked'

*SK1309021494 Seoul KBS-1 Radio Network in Korean
0100 GMT 13 Sep 94*

[Report by Correspondent Yi Myong-ku from Berlin]

[Text] It seems the expert-level talks being held in Berlin between the United States and North Korea on nuclear technology have become virtually deadlocked.

Kim Chong-u and Saymore, respectively the North Korean and U.S. chief delegate, discussed pending issues at a meeting which lasted from 2200 to midnight yesterday [1300 to 1500 GMT on 12 September]. However, they failed to narrow their differences in opinion, and parted company deciding to meet again sooner or later.

It is unclear whether or not the third meeting, which had been scheduled for today at the North Korean mission, will be held.

Instead of a plenary meeting, the United States and the DPRK held a chief delegates' meeting. This is interpreted as there having arisen the necessity for the chief delegates to fine-tune their positions due to the stances of the two parties acutely confronting each other.

It was also learned that yesterday the DPRK set minimum conditions for accepting a light-water reactor—such as safety records, records of export, and excellent performance—thereby rejecting an ROK-style reactor and showing a major difference in opinion with the stance of the United States which has been pushing for a light-water reactor supported by the ROK.

After they concluded their discussions on the question of aiding in construction of a light-water reactor, the United States and the DPRK were supposed to discuss disposal of the spent fuel rods and aid in alternative energy sources which could solve North Korea's electricity shortage.

Reactor Issue Solution 'Unlikely'

*SK1209140794 Seoul KBS-1 Television Network in
Korean 1228 GMT 12 Sep 94*

[Text] North Korea and the United States discussed in Pyongyang the particulars in case liaison offices are established, such as the leasing of the office building and the number of personnel and the positions of liaison officers. No details are available at this moment as today's talks were held behind closed doors.

The second day of meetings of experts on nuclear technology are being held now between the United States and North Korea at the Berlin branch of the U.S. Embassy. The light-water reactor issue is the greatest pending issue. Correspondent Yi Myong-ku reports:

[Begin recording] [Yi Myong-ku] North Korea again showed strong persistence on the issue of a light-water reactor today. Kim Chong-u, North Korean senior delegate, who arrived at the Berlin branch of the U.S. Embassy for the second day of meetings, answered the reporters' questions and presented the condition for the light-water reactor the North Korean side wants.

[Kim Chong-u] We will discuss the introduction of the light-water reactor that ensures safety, has a record of being exported, and verified performance.

[Yi] It has not been disclosed which country's type delegate Kim Chong-u referred to. At the first-day meeting, the North Korean side definitely rejected the ROK-type, therefore, it seems that North Korea wants either the French-German jointly-developed type or the German type. In this connection, (Bryer), spokesman for Siemens, said that Siemens sent North Korea the data for its light-water reactor at the request of North Korea toward the end of last month.

Although the German-type light-water reactor does not have any record of being exported, the (Pratom), the French-German joint venture company established in 1989 has a record of exporting Ulchin No. 1 and 2 reactors to the ROK.

The United States and North Korea will discuss the issue of a light-water reactor this morning local time, and discuss the issue of disposal of the used fuel rods and of alternative energy this afternoon.

However, since both the ROK and the United States are strongly recommending the ROK-type light-water reactor, it is unlikely that any conclusion will be reached regarding the issue of the light-water reactor at the present talks. [end recording]

Unification Meeting Discusses U.S.-North Talks

*SK1309015394 Seoul KBS-1 Radio Network in Korean
0100 GMT 13 Sep 94*

[Text] The government has decided to maintain its existing position concerning the North Korean nuclear issue before concrete and tangible results for solving the nuclear issue are achieved at the second meeting of the third-phase talks between the United States and the DPRK to be held in Geneva on 23 September.

At the Secretariat for South-North Dialogue held in Samchong-dong in Seoul on the morning of 13 September, the government made this decision at a meeting of the Unification-National Security Policy Coordination Council presided over by Yi Hong-ku, deputy prime minister and minister for the national unification, during which the participants were debriefed by Foreign Minister Han Sung-chu about his visit to the United States.

In particular, under circumstances in which the DPRK continuously slanders our chief executive [choego tongchija], the government reportedly confirmed its position not to be the first to propose dialogue with North Korea.

In connection with the question of aiding in the construction of a light-water reactor, the government reaffirmed its stance that an "ROK-style" reactor should be adopted by all means [pandusi], and that we cannot share the costs if the style of a third country is supported.

The government decided to flexibly cope with detailed matters—including the timing of establishment of liaison offices in Washington and Pyongyang—so that a

solution can be found to the North Korean nuclear issue at the second meeting of the third-phase talks between the United States and the DPRK. The government also decided to urge the DPRK, via the United States, to show sincerity in resuming the South-North dialogue.

U.S. Demand for Written Guarantee of Aid Viewed

*SK1209053194 Seoul TONG-A ILBO in Korean
12 Sep 94 p 2*

[Article by reporters Kim Cha-su and Pak Che-kyun]

[Text] There could be several reasons the United States is asking for ROK President Kim Yong-sam's personal letter guaranteeing an active financial share in building light-water reactors for North Korea.

First, as North Korea is showing great interest in the light-water reactors issue, the United States intends to secure a guaranteed money source for the construction as a way to actively persuade North Korea. The U.S. position is that it cannot directly absorb the construction cost, which is estimated at \$4 billion.

The United States needs a firm guarantee of money from the ROK, the party directly concerned in the North Korean nuclear issue, to take an aggressive approach in negotiations with North Korea and to solve the financial problem.

Under the circumstances in which the United States is emphasizing negotiations on freezing North Korea's present and future nuclear activities, rather than the verification of its past activities, the United States has to provide a firm guarantee that it will support the construction of light-water reactors.

Another possibility is that the United States wants to receive a written promise of the ROK's financial share in case the ROK-type light-water reactors are not selected. The United States is asking for a written guarantee even though the ROK Government has repeatedly said it will play an active role in building light-water reactors for North Korea. So far, the United States has shared the ROK stance that the ROK-type light-water reactors should be selected. It cannot rule out the possibility, however, that North Korea will refuse the ROK-type to the end.

Because the ROK-type is a modification of U.S.-type reactors, some people believe that if North Korea does not accept the ROK-type light-water reactors, the United States may try to compromise by showing flexibility in the type of reactors, but guaranteeing the ROK a leading role in the project.

The United States may provide North Korea with a written guarantee that it will take all the responsibility for building the light-water reactors, and then let the ROK participate in the construction as a subcontractor. The United States is asking for a written promise from

the ROK to prevent the ROK Government from refusing to share the cost in case the ROK-type is not selected.

Other people analyze that the United States wants to receive a firm guarantee from the ROK to persuade Japan to share the cost.

Japan is another possible country that will share the cost of construction for light-water reactors. Japan's position is that it will not share any cost before the improvement of Japanese-North Korean relations. It would be easier for the United States to persuade Japan once it has a firm financial guarantee from the ROK.

What is more important than the reason for the U.S. demand for a personal letter by President Kim, is how the ROK Government will respond.

Most people think the government should act prudently because the negotiations between North Korea and the United States are still under way, and the conditions for sharing costs and technology have yet to be negotiated by the ROK, the United States, and Japan.

High-ranking government officials said that if the ROK provides the written financial guarantee, there is a possibility that the United States would add to our financial burden in exchange for continuing the ROK-U.S. alliance. Even if the ROK provides the United States with a written guarantee that the ROK will actively share the cost of the construction of light-water reactors, there must be a proviso clarifying the type of reactors and other conditions.

North Wants Hard Currency for Nuclear 'Scrapping'

SK1309090294 Seoul YONHAP in English 0848 GMT 13 Sep 94

[Text] Seoul, Sept. 13 (YONHAP)—North Korea, in return for scrapping its nuclear development program, wants to receive hard currency as well as petroleum and electric power as alternative energy sources, it was learned Tuesday.

Speculation has it that the North, already suffering from food shortages, is anxious to obtain hard currency with a view to settling accounts for increased grain imports from China and elsewhere.

Pyongyang has demanded a supply of replacement energy until new light-water reactors are constructed and go into operation. Moreover, "North Korea has expressed hope to the United States that part of the compensation will be made in cash," a government official said.

This is a matter to be addressed by North Korea and the United States, the official said. "Realistically, however, the chances are extremely low that it will be realized."

As to whether North Korea should receive alternative energy through a grant or loan if it freezes its nuclear

program, another official said, "although it is as yet premature to discuss the matter, it is likely to be gratuitous for now."

Measures To Deal With Armistice Issue Viewed

SK1309085294 Seoul YONHAP in English 0844 GMT 13 Sep 94

[Text] Seoul, Sept. 13 (YONHAP)—The government and the ruling Democratic Liberal Party (DLP) are poised to prepare measures to cope with moves to replace the Korean Armistice Agreement with a peace treaty expected to get into high gear as a result of the rapid progress at U.S.-North Korean experts' talks on Pyongyang's nuclear program and bilateral relations.

Their action in that direction is based on the judgment that, in addition to Tuesday's joint statement on a liaison office exchange, there is a strong possibility that Washington and Pyongyang will handle the peace treaty issue formally at the third round of high-level talks slated to open Sept. 23.

The government and the ruling party were reportedly seeking forward-looking and realistic ways to tackle the issue that are conducive to easing tensions and creating peace between South and North Korea.

The matter has been in dispute since China withdrew its delegation recently from the Korean Military Armistice Commission, apparently to back up North Korea's demand that it be replaced with a peace agreement.

Rep. Yi Se-ki, chief DLP policymaker, disclosed at a high postholders' meeting that changing the Armistice Agreement into a peace accord would inevitably come up together with progress in the U.S.-North Korean negotiations on the North's nuclear activities, saying that "the issues are under discussion between the government and the ruling party."

Yi pointed out that no details exist in the South and North Korean basic agreement concerning a change to a peace treaty while insisting that the agreement's contents should be supplemented.

In particular, Rep. Yi indicated the possibility of linking a non-aggression accord between the United States and North Korea to a South-North peace agreement, saying they could consider mutually supplementing the inter-Korean peace accord and the latest agreement between the United States and North Korea.

"One realistic way is for neighboring countries to guarantee the peace agreement and the United Nations Security Council to ratify it ultimately," he asserted.

Ruling party sources said, however, that although the Armistice Agreement could be replaced by a peace accord, the mutual defense pact between Seoul and Washington would be maintained together with the American troops stationed in South Korea.

PRC MAC Delegates Seen at Panmunjom Ceremony

SK1309104394 Seoul KBS-1 Radio Network in Korean 1000 GMT 13 Sep 94

[Text] It was confirmed today that, although the Chinese Government announced nearly two weeks ago its policy of summoning its Military Armistice Commission [MAC] delegates from Panmunjom, it has not withdrawn the delegates yet.

This was revealed when three delegates of the Chinese Army to the MAC appeared at the ceremony to return the remains of UN Forces soldiers held in Panmunjom today.

Qian Qichen on DPRK Power Succession, MAC

SK1309005694 Seoul YONHAP in English 0046 GMT 13 Sep 94

[Text] Paris, Sept. 12 (YONHAP)—The transfer of power in North Korea following the death of Kim Il-song "is progressing smoothly," Chinese Foreign Minister Qian Qichen said Monday [12 September].

Qian made the comment at a press conference here marking the end of Chinese President Jiang Zemin's five-day visit to France. The situation on the Korean peninsula "is being stabilized now," he said.

Noting that expert-level meetings in Berlin and Pyongyang are being held as a prelude to U.S.-North Korea high-level talks that resume in Geneva on Sept. 23, Qian explained that "this is the very reason why I've said that the power succession in North Korea is making smooth progress."

Asked if the North Korean nuclear problem was discussed at meetings between Jiang and his French counterpart Francois Mitterrand and Premier Edouard Balladur, he replied, "Both sides welcome Pyongyang-Washington negotiations and hope they will bring about affirmative results," suggesting that the matter was taken up.

The Chinese Government's position on the North Korean nuclear issue is "clear" as the international community and North and South Korea are aware, Qian said. "China supports peace and the maintenance of security and denuclearization on the Korean peninsula, and will continue to make due efforts toward that end."

Referring to Beijing's recent withdrawal from the Korean Military Armistice Commission, he disclosed, "North Korea recently requested that the Chinese delegate should leave North Korea. As a result, he could not stay there any longer."

Qian further revealed that China proposed in 1958 to withdraw its delegation from the Military Armistice Commission, but the offer was rejected by Pyongyang and Beijing maintained one delegate. As the Korean Military Armistice Commission has been in a state of

paralysis over the past few years, the lone Chinese delegate there found it difficult to fulfill his duties, he added.

Succession 'Not Yet Completed'

SK1209232294 Seoul KBS-1 Radio Network in Korean 2200 GMT 12 Sep 94

[By correspondent Ko Su-ung from Paris]

[Text] On 13 September, PRC Vice Premier and Foreign Minister Qian Qichen said North Korea has not yet completed its succession of power, and that Beijing will actively cooperate in the denuclearization of the Korean peninsula.

In an interview with foreign reporters, Vice Premier Qian Qichen, who is visiting Paris with PRC President Jiang Zemin, said the PRC feels that currently the Korean peninsula is maintaining stability, and that the DPRK has not yet completed its succession of power following Kim Il-song's death.

In connection with the North Korean nuclear issue, Vice Premier Qian Qichen said North Korea and the United States are holding talks in Pyongyang and Berlin, and that Beijing will unsparingly cooperate to resolve the issue. He said France and the PRC actively support the on-going DPRK-U.S. talks, adding that he hopes important results will be achieved.

Unification Minister Hints Possible S-N Talks

SK1309055894 Seoul KBS-1 Radio Network in Korean 0300 GMT 13 Sep 94

[Text] The government has decided to ease its existing position to link the nuclear issue with economic cooperation in case tangible results are achieved at the second meeting of the third round of talks between the United States and North Korea, which are to resume on 23 September, and in case the power succession is concluded in the DPRK after mid-October.

The government has also decided to push for a more active policy toward the North, including seeking all types of South-North dialogue, such as a South-North summit.

You will get the details from reporter Kim Chol-min.

[Begin Kim recording] At a meeting of the Unification-National Security Policy Coordination Council held on 13 September, the government decided to work out a more active policy toward the North in preparation for the possibility the nuclear issue can be solved through U.S.-North Korean negotiations.

In a talk with reporters right after the meeting, Deputy Prime Minister Yi Hong-ku expressed his view: Constructive South-North dialogue will be possible if a breakthrough in solving the nuclear issue is provided at the U.S.-DPRK talks, and when the North Korean

system becomes stabilized. We are mapping out multifaceted countermeasures, including the idea of allowing an exchange of people, allowing businessmen to visit the North, and easing the existing policy of linking the nuclear issue with economic cooperation.

He went on to reaffirm the position that the principle of the South-North summit talks is still valid. Avoiding answering the question of whether the ROK would be the first to propose a South-North dialogue, he strongly hinted at a policy to push ahead with the South dialogue, including the summit talks, by saying: If the situation moves in a positive direction, this issue can be solved smoothly.

As concerns the light-water reactors, Deputy Prime Minister Yi said: Because substance is more important than form, we will not stick to the name "ROK-style." However, there is no difference of opinion between the ROK and the United States as regards the fact that our government is leading the project to aid in the construction of a light-water reactor in a substantial way and at our initiative.

Deputy Prime Minister Yi also stated: I will repeatedly emphasize to Gallucci, the U.S. assistant secretary of state, that the ROK can provide funds only if an ROK-style light-water reactor is used.

This has been Kim Chol-min, KBS News, reporting from the National Unification Board. [end recording]

'Phased Inter-Korean Economic Cooperation' Viewed

SK1309045694 Seoul YONHAP in English 0449 GMT 13 Sep 94

[Text] Seoul, Sept. 13 (YONHAP)—The South Korean Government decided Tuesday [13 September] to allow phased inter-Korean economic cooperation and to seek a resumption of South-North dialogue in the event that Pyongyang-Washington talks show signs of settling the North Korean nuclear problem, officials said.

But the government will maintain its current position of linking inter-Korean economic cooperation to the North Korean nuclear row and of simultaneously seeking improvement in inter-Korean and Pyongyang-Washington relations, according to the officials.

The decisions were made at a Unification and Security Policy Coordination Meeting held at the South-North Dialogue Office here Tuesday morning.

Deputy Prime Minister and National Unification Minister Yi Hong-ku presided over the meeting, and Foreign Minister Han Sung-chu briefed the attendants on the results of his recent visit to Washington.

After the meeting, Yi said, "The light-water reactors to be provided to North Korea should be the model South Korea has developed and standardized, and international support should be led by South Korea."

But he said controversy over the reactors' description is unnecessary.

"I wonder if the term 'South Korean-style reactor' is used internationally. I think the content of the reactors is more important than the term."

His remarks suggest the South Korean position that the term given to the reactors provided to North Korea does not necessarily have to be "South Korean-style."

"We reaffirmed the bilateral agreement with the United States on such issues as securing North Korea's nuclear transparency, supporting light-water reactors for North Korea and establishing North Korea-U.S. liaison offices."

He said that if the North Korean nuclear problem shows signs of settlement, South Korea will welcome all kinds of inter-Korean dialogue.

Effects of Inter-Korean Farm Trade Studied

SK1009012794 Seoul THE KOREA TIMES in English 10 Sept 94 p 8

[Text] South Korea should sustain losses more or less in order to expand its agricultural trade with North Korea, a researcher proposed in an international seminar in Seoul yesterday.

Dr. Kim Un-kun, a researcher at the Korea Rural Economics Institute, made the remarks in the International Seminar on Agricultural Trade and Development Cooperation in Northeast Asia at the institute's auditorium.

"South Korea should not look at inter-Korean agricultural trade purely from a commercial perspective but push it in such a way as to help North Korea save face," Kim said.

Kim, however, said there are few agricultural products that can be imported from North Korea at the moment because North Korea has a centrally planned economy. "Due to its chronic food shortage, the North uses its land primarily for food production, thereby making it hard to produce the farm products that the South wants," he told the seminar.

As a way to promote inter-Korean agricultural trade, Dr. Kim proposed a marriage of South Korea's technology and capital with North Korea's cheap manpower.

Specially, he said it is desirable to pursue inter-Korean agricultural cooperation through "production contracts." Under this formula, the South would order products of which there is a chronic supply shortage from the North under a long-term contract.

Kim Chong-il's 'Rapid-Paced Diplomacy' Viewed

SK1109062594 Seoul CHUNGANG ILBO in Korean 11 Sep 94 p 4

[Report by Kim Chin-kuk: "Rapid-Paced Kim Chong-il Diplomacy—Changes Seen After Kim Il-song's Death"]

[Text] While North Korea is building a new power structure internally with Kim Chong-il as the center after Kim Il-song's death, it is implementing rapid-paced positive diplomatic activities externally.

It is difficult to assess precisely North Korean foreign policy at the moment because Kim Chong-il's official power succession has not been completed. North Korea is clearly making efforts, however, to obtain the international recognition necessary for stability in the Kim Chong-il system.

It is estimated that North Korea is using this initiative to lead successful North Korean-U.S. talks, including the agreement on mutual establishment of liaison offices, and is pushing ahead with contacts with China, Japan, and Russia.

In addition to these four big powers, North Korea carried out positive exchanges with other countries under the pretext of condolence diplomacy.

As soon as the funeral ceremony for Kim Il-song was over, North Korea resumed the third round of talks with the United States, which had been postponed, and reached an agreement on holding expert-level talks. North Korea finally began holding talks with the United States in Pyongyang and Berlin on 10 September for the establishment of liaison offices and for obtaining support for light-water reactors.

North Korean relations with China became estranged in the past two years due to the establishment of diplomatic relations between the ROK and China. North Korea recently sent a special envoy to China, and succeeded in persuading China to withdraw from the Military Armistice Commission [MAC].

In other words, North Korea succeeded in obtaining China's agreement by emphasizing the necessity of China's withdrawal for replacing the Armistice Agreement with a peace agreement, which it has sought.

The vice chairman of the External Economy Commission recently visited China and reached an agreement on receiving a supply of foodstuffs and oil.

In addition, Vice President Pak Song-chol visited Libya and Sudan and consolidated friendship with these nations. North Korea also dispatched high-level diplomatic delegations to Southeast Asia, Central America, Arab states, and the like.

North Korea revealed differences between the ROK and the United States by insisting on Russian-model light-water reactors during North Korean-U.S. talks, in which the United States pledged support, thus effecting expectations for improvement of relations with Russia.

Diplomacy has also been very active in sending out invitations.

Unlike its refusal of condolence envoys to the funeral of Kim Il-song, North Korea has recently invited Inoki,

member of the Japanese House of Councillors; parliamentarians from Germany and France; a delegation of the Italian Movement for Peace and Socialism; U.S. social and cultural delegations; and other figures in the West, not to mention figures in Third World countries.

North Korea again invited former U.S. President Jimmy Carter, who visited North Korea at the invitation of Kim Il-song.

Some analysts assess such positive diplomatic activities by North Korea as a new Kim Chong-il-style diplomacy, and hope that Kim Chong-il will implement a broader opening up than that of Kim Il-song.

Yi Chang-ho, professor of Korea University, brands the past negotiations with the United States as "Kim Chong-il diplomacy" and assessed that "Kim Chong-il is more practical and reasonable than Kim Il-song, as rumors indicated."

It is expected that Kim Chong-il's foreign policy will be revealed concretely when he assumes the presidency of the state and the position of general secretary of the party, as well as in his New Year address next year. Judging from North Korea's past two months' of diplomacy, however, the new diplomatic direction is likely to maintain Kim Il-song's basic line of appeasement diplomacy.

By taking advantage of improved diplomatic relations with the United States, North Korea will improve and will finally establish diplomatic relations with Japan. North Korea will seek security by obtaining international recognition and implement survival diplomacy [saengjon oegyo]. There is a great possibility that North Korea will use its nuclear issue for negotiations, instead of straining the situation, as Carter advised.

It seems that Kim Chong-il, going a step forward, will expeditiously carry to accomplishment talks with the United States by considering the fact that the Clinton administration is in the midst of interim elections and the extension of validity of the Nuclear Non-Proliferation Treaty.

North Korea will likely implement a strategy to adjust U.S. influence by properly managing and using relations among the four big countries surrounding the Korean peninsula. In other words, North Korea will compel China, Japan, and Russia to maintain a certain degree of interest in North Korea.

In particular, North Korea dispatched Vice Foreign Minister Song Ho-kyong to China on 30 August to explain the North Korean situation and to discuss measures to maintain the present situation [hyonsangul yuji hanun panganul] on the Korean peninsula. North Korea succeeded in persuading China to withdraw from the MAC. This shows that North Korea will likely give top priority to relations with China in its foreign relations.

North Korea's emphasis on strengthening survival diplomacy has been revealed clearly in its economic difficulties; in Kim Pyong-il's remarks that stressed "how to feed the people well is more important than a political system," and in NODONG SINMUN stressing the strengthening of relations with capitalist countries.

North Begins Using 'Revolutionary Writers' Title

*SK1009030094 Seoul YONHAP in English 0243 GMT
10 Sep 94*

[Text] Seoul, Sept. 10 (YONHAP)—Deceased "revolutionary writers" have again stepped into the North Korean spotlight after Kim Il-song's death.

Revolutionary writer is the title given to those who have made a distinguished contribution to glorifying "the great leader Kim Il-song" in novels, poems and dramas.

Bringing such figures into the limelight again has the political objective of urging present-day authors to laud Kim Chong-il as his father's successor as great leader in their literary works, as the revolutionary writers did for the senior Kim.

In commenting on these deceased writers, literary magazines say that although their hearts, ever faithful to the great leader, have stopped beating, they are leading a happy life in the afterworld with the blessing of dear leader Kim Chong-il's love.

Among the revolutionary writers being spotlighted again these days are Kim Sa-ryang, Cho Ki-chon, Kim Nam-in and Yi Chan. While Kim Sa-ryang, Cho Ki-chon and Yi Chan are "big stars" in North Korean literary history, Kim Nam-in had been an obscure writer until he was resurrected recently.

According to North Korean magazines which featured this unknown writer in recent editions, Kim Nam-in, whose real name is Ik-pu, was born to peasants in Chunggangjin on Jan. 11, 1910.

After finishing his elementary education, he continued his studies in Seoul, Pyongyang and Beijing. In 1930, he returned to his hometown to write poems. Then in August 1936, he published a poetry magazine named "POETRY CONSTRUCTION." After liberation from Japanese rule in 1945, he worked as propaganda chief of the North Pyongan Province Communist Party. During the Korean war, he followed the People's Army as far south as the Naktong River as a war correspondent and was killed on the eastern central front in June 1951.

Among his poetic works are "The Bosom of the Party and the Great Leader," "General Kim Il-song's Anti-Japanese Guerrilla Warfare" and "The Iron Youth Unit."

He was awarded the title of revolutionary writer for "The Iron Youth Unit" which he wrote during the war.

Kim Il-song praised this work for its high political aims, and it is now rated as one of the best heroic epics in North Korea.

Kim Sa-ryang was the first revolutionary writer to have entered the limelight recently. His play "Thunder" is known as the first literary work used in establishing Kim Il-song's personality cult in the North. This four-act, six-scene play depicts the Pochonbo Battle in which Kim Il-song leads a guerrilla unit fighting the Japanese Army.

His novel "The Sea Is Seen" is considered the best Korean war novel in the North for its description of the North Korean Army's heroic achievements.

He was killed near Wonju during the North Korean Army's retreat in October 1950.

Cho Ki-chon was given the revolutionary writer's title for his "Mt. Paektu," regarded as the best epic in North Korea. This is a poetic presentation of the Pochonbo Battle in which Kim Il-song is said to have fought the Japanese Army as a guerrilla leader.

He was also killed in 1951 during the Korean war.

Yi Chan wrote "The Song of General Kim Il-song," one of two odes to the great leader which helped establish the Kim Il-song personality cult, the other being Cho Ki-chon's "Mt. Paektu." This poem is rated as "an immortal revolutionary song" in North Korea.

He died in January 1974. On Kim Chong-il's orders, Yi was buried in the revolutionary cemetery with the title of revolutionary poet inscribed on his tombstone.

By placing these deceased revolutionary writers in the limelight anew, North Korea appears to be trying to create an atmosphere in which Kim Il-song is remembered for establishing the government in the late 1940s in order to usher in the new Kim Chong-il era.

Kim Yong-sam Visit to U.S. Kitty Hawk Denounced

*SK1309072094 (Clandestine) Voice of National
Salvation in Korean to South Korea 0300 GMT
13 Sep 94*

[Text] On 12 September, Kim Yong-sam visited the aircraft carrier Kitty Hawk, which belongs to the Seventh U.S. Fleet, where he observed a demonstration exercise of aircraft take-offs and landings. He babbled: It is necessary to do our best to build an effective cooperative system and to further consolidate the friendly relationship between South Korea and the United States.

This is a flunkeyist, nation-selling act based on his inner desire to maintain his regime by all means [ottokehana], relying upon the U.S. military's strength to crush [apsal] the North.

The DPRK-U.S. [chomi] talks are being held, and signs of improved relations between the North and the United States [miguk] are seen.

In conformity with the move to improve DPRK-U.S. relations, Kim Yong-sam should take the necessary measures to improve South-North relations and ensure the reunification and prosperity of the nation.

This notwithstanding, he visited a U.S. aircraft carrier and babbled about the building of the South Korean-U.S. cooperative system. This is nothing but a flunkeyist, nation-selling act running counter to the [word indistinct] times.

Kim Yong-sam should stop his flunkeyist, nation-selling acts of trying only to maintain his regime [chonggwonina yujihamyo salagaryonun] by depending upon the United States, and should immediately step down from power in accord with the unanimous will of our masses.

Officer Organization in DPRK Military Detailed

SK0909131994 Seoul CHOSON ILBO in Korean 9 Sep 94 p 2

[Report by Kim Hyon-ho; from the "Common Sense on DPRK" column]

[Text] North Korean Army officers begin military life from the bottom. All officers are selected from the ranks of privates and noncommissioned officers. Privates are also promoted to noncommissioned officers.

If a soldier is recognized as having an outstanding temperament as an officer after serving as a "soldier" for at least three to six years, and if that soldier passes a screening following consultations with the Workers' Party of Korea, then he will be promoted as an officer. However, it is "a hole made by a needle" in which as many as only one officer will be produced annually from one company consisting of 120 soldiers. He must be a most exemplary soldier who is scrupulously flawless in family origin, capability, physique, confidence, and popularity among his fellow soldiers. A soldier who has seniority has no advantages.

If a soldier is selected as a candidate for promotion to officer, that soldier attends the Kang Kon Combined Officer's School in Pyongyang. It is equivalent to the ROK's Military Academy. Here, soldiers serving in the infantry have to undergo training for two years, and those serving as military engineers and in communications have to complete a three-year training course. Approximately 500 soldiers graduate from the Kang Kon Combined Officer's School annually. Soldiers serving in the armor and artillery services receive separate training at the "Armor Officer's School" and the "Combined Artillery Officer's School."

A political officer in charge of ideological control within the military is selected after going through the same procedures as a general officer. Soldiers who worked in propaganda and agitation when they were privates are mostly selected. They receive training at Kim Il-song Political University for two years, then are commissioned as political officers.

In the North Korean Army, there are "officers recruited from enlisted men." If an officer is suddenly needed at a particular military corps, superior noncommissioned officers are selected and receive short-term training for 15 days to six months; then they are appointed as officers. This system is widely used in the administration field.

Sin Chung-chol (48, colonel), a North Korean officer who defected to the South, stated: "Platoon leaders and company commanders in the North Korean Army experienced life as privates. Therefore, their ability to command men is superior than that of South Korean officers. However, the more South Korean officers are promoted to higher-ranking officers, it seems they acquire wide knowledge and are superior in temperament."

Apart from the army, those who graduate from middle and high schools enter the Navy and Air Force Officer's School to be trained as officers.

The class structure and standard for promotion in the North Korean Army is greatly different from that of South Korea's. If a soldier enlists in the Army, he becomes a "private" who wears a red shoulder strap with no indication of class. Then, according to ability he is promoted to "corporal" within six months at the earliest or one year at the latest. Unlike the ROK, in which soldiers are automatically promoted simultaneously when the appointed time is up, privates in the DPRK are promoted according to ability. They are promoted from corporal to staff sergeant, sergeant first class, chief petty officer, and then to sergeant major. In some cases, a soldier may have to be discharged as only a corporal after serving 10 years in the army. Being an officer is a popular occupation in the DPRK. His social position is firmly guaranteed, and he has precedence over receiving supplies of daily necessities. Officers, ranked second next to diplomats, receive preference among women choosing husbands. For these reasons, young North Korean soldiers devote themselves to becoming officers. This is especially so among young people from rural regions.

DPRK's 'PRC-Style Agricultural Reform' Viewed

SK0909121694 Seoul MUNHWA ILBO in Korean 9 Sep 94 p 9

[Report by Choe Chun-yong]

[Text] It has been pointed out that the DPRK should adopt PRC-style agricultural reform—in which each individual farm household is given its own farming rights—in order to solve its chronic food shortages in a short period of time. In this regard, it was learned that a move toward such reform has actually been implemented in the DPRK following Kim Il-song's death.

Yi Taek-chong, director of the Agricultural Bureau of the Korean People's Autonomous Government in Jilin Province, made this statement in his key-note presentation—entitled "The PRC's Agricultural Reform and Suggestions on North Korean Agriculture"—made at a 9

September seminar entitled "Exchange of Agricultural Products and Cooperation in Agricultural Development Between Three Northeast Asian Nations: South and North Korea and the PRC" which was hosted by the Korea Institute for the Rural Economy [KIRE].

Director Yi, who once served as mayor of Longjing (1983-1988)—which is close to the DPRK—and who is well versed in North Korean affairs, said: "The DPRK will not be able to find a way out of its food shortages if it maintains its present production methods through the nationalization of land and collective work." He stressed that such uniform systems and policies are the major factors reducing agricultural productivity.

Yi stated: "When pushing for its open-door policy in 1978, the PRC allowed private individual production and sales while maintaining the land nationalization policy. As a result, the PRC's agricultural output in 1984 totalled twice as much as the previous corresponding period." He went on to state this was interpreted as a successful example of agricultural reform introducing a capitalist method.

He pointed out that in order to solve its food problem in a short period of time, the DPRK should take note of the experience of the PRC-style agricultural reform. Yi said that following Kim Il-song's death, the DPRK had actually experimented with PRC-style farming methods in a remote mountainous region in Hamgyong Province, allowing each farm household's individual production and sales.

Meanwhile, in his key-note presentation entitled "Present Status and Prospects for Exchange of Agricultural Products Between South and North Korea and the PRC," Kim Un-kun, director of the Office of the Northern Countries' Agriculture at the KIRE, said the exchange of agricultural products between the ROK and the DPRK should be expanded in such a way as to save North Korean face and take account of tangible advantages to be garnered for the DPRK rather than just pursue commercial exchanges of commodities.

In the day's seminar, there were also key-note presentations made by Chin Hyong-sam, deputy secretary of the Korean People's Autonomous Government in Jilin Province, and Kim Min-chol, manager of the Development Department of the Taeryuk General Development Corporation which is presently developing the Sanjiang Plain.

Seoul Decides To Give to UN Human Rights Fund

SK1009014794 Seoul YONHAP in English 0111 GMT 10 Sep 94

[Text] Seoul, Sept. 10 (YONHAP)—South Korea has decided to donate 100,000 U.S. dollars to the U.N. human rights technical cooperation fund, the Foreign Ministry said Saturday.

The fund supports the activities of the U.N. High Commissioner for Human Rights.

The donation is part of Seoul's efforts to participate in human rights improvement, the ministry said, and the government plans to expand such financial donations.

Arrest of Pakistani Sought for Counterfeiting

SK1009031594 Seoul YONHAP in English 0253 GMT 10 Sep 94

[Text] Seoul, Sept. 10 (YONHAP)—Police on Saturday decided to seek an arrest warrant for a Pakistani who has allegedly admitted to having exchanged bogus U.S. 100-dollar bills at a number of hotels in Seoul last weekend, on charges of acquiring counterfeit notes.

The suspect has been identified as Amir Rashid Suppra, 26, who flew into Seoul on July 21 via Hong Kong to search for illegal employment here, police disclosed.

When he was arrested near a subway station in Seoul Friday afternoon, he was carrying a passport in the name of Mahammad Hassan Jamil, 33, which was found to be false.

Suppra reportedly told police that he received the counterfeit 100-dollar bills last Saturday from another Pakistani, Mohammad Ashid (phonetic), who is in his 30s, and exchanged them at the Ramada Renaissance and other hotels in southern Seoul.

In addition to the 29 fake 100-dollar bills which have been discovered so far, he allegedly confessed to having exchanged 11 more bogus 100-dollar notes at three additional Seoul hotels. Police are looking into the truth of his statements at these three hotels.

According to police, Suppra claims that his passport was kept by the Kimpo immigration office lest he engage in illegal work, prompting him to carry the passport of his friend with his own photo pasted inside.

Police are still questioning him as to how he came to possess the bogus bills and whether he belongs to an international counterfeiting ring.

They intend to ask Interpol and the Pakistani Government for help in checking into his personal background and possible criminal record.

Mohammad Ashid, from whom Suppra claims to have received the bogus bills, has been confirmed to be on a list of illegal foreign workers in South Korea. Suspecting that Ashid may be a member or middleman of an international counterfeiting ring, police have distributed copies of his photograph to airports and harbors in an attempt to track him down.

France Refuses Return of Chosun Dynasty Papers

SK1009024194 Seoul YONHAP in English 0219 GMT 10 Sep 94

[Text] Paris, Sept. 10 (YONHAP)—The French Government has made clear its stance on refusing to return

Choson Dynasty documents in the form of a permanent loan, although there is no change in its basic principle of repatriating them.

Han Pyong-sam, former director of the National Museum and currently a member of the cultural property committee who is leading a visiting government mission to press for the documents' return, revealed France's position Friday to Korean reporters here after a series of meetings with French Culture Minister Jacques Toubon, Foreign Minister Alain Juppe and National Library of Paris Director Jean Favier.

Han said he had clarified "the Korean Government's hope of a permanent loan of the old books" in delivering letters from Foreign Minister Han Sung-chu to Juppe and from Culture and Sports Minister Yi Min-sop to Toubon.

"The French ministers said that the form of a permanent loan of the books violates current French law, although they confirmed they would comply with the political agreement between the two nations' presidents on returning the archives reached at a summit in Seoul last year," he said.

"I got the impression that we could receive the old books soon if we agreed to choose the form of a time loan that could be extended automatically and had the effect of a de facto permanent return, as offered by the French Government," he added.

As for resistance by the National Library of Paris to the documents' repatriation, he said, "Favier expressed his position on complying with the final decision, pointing out that it is a problem subject to political settlement."

Han stressed that if the form of return is agreed between the two governments, the repatriation will not take much time.

The French Government has insisted on returning the books in the form of a time loan extended automatically every two years, as a permanent loan would violate French law. Paris cites the example of the "Shimonoseki model" in 1984, when the country exchanged with the Japanese a cannon taken from Japan for a warrior's armor.

Han said that "the government will prepare a compromise proposal at an inter-ministry meeting next week

based on the result of this visit," predicting further negotiations between the two countries around month's end.

French President Francois Mitterrand promised his South Korean counterpart Kim Yong-sam to return the documents and gave back one book, out of a total of 297 possessed by the National Library of Paris, when he visited Seoul last September. The return has been delayed by French internal affairs for more than a year.

This is the first time since then that a Korean Government mission has visited Paris to conduct negotiations.

The French Navy took the archives from Korea around the end of the 19th century.

Court: Kim Chong-in Guilty of Accepting Bribes

SK0909115094 Seoul YONHAP in English 1103 GMT 9 Sep 94

[Text] Seoul, Sept. 9 (YONHAP)—The Supreme Court on Friday [9 September] upheld the appellate court verdict against Rep. Kim Chong-in, finding him guilty of accepting 210 million won in a bribe from a former Tonghwa Bank president.

The Seoul appellate court earlier sentenced him to two and half a years in prison with a stay of execution for four years. He was also fined 210 million won.

With the upholding of the term, Kim had his assemblymanship forfeited immediately.

He was arrested in June last year on charges of accepting 210 million won from An Yong-mo, then president of the Tonghwa Bank, in a one-year period beginning October 1991 when he was serving as senior presidential secretary for economic affairs.

Kim's floor seat is set to be succeeded to by Chong Ok-sun, a former Chongwadae [presidential offices] woman secretary, of the ruling Democratic Liberal Party [DLP]. Kim was elected to the assembly on a DLP national representation ticket.

The highest court also upheld the lower court sentence of two and a half years' imprisonment with a stay of execution for four years and a fine of 80 million won against An Yong-mo.

Burma**Attacks on Villages by Karen 'Bandits' Reported***BK1209161794 Rangoon Radio Myanmar in Burmese
1330 GMT 12 Sep 94*

[Text] Armed groups in the jungle are disrupting local peace and tranquility and attacking villages. A 12-member Karen armed group in the jungle attacked Dindaye Village in Kyauktalon Village Tract, Pa-an Township with small arms and rocket launchers for about 10 minutes at 2100 on 28 August. Four villagers—Pha Aung Bwe, 24, son of U Pha Yi; Ko Aung Mya, 37, son of U Aye Thu; Ma Hla, 27, daughter of U Aung Be; and Maung San Tun U, the 10-month-old son of U Than Lwin—were injured in the attack. The injured were taken to the hospital for treatment.

Karen armed groups in the jungle are disrupting local peace and tranquility and attacking and robbing passenger cars. About 20 bandits led by Pho Lone of the jungle-based Karen armed group tried to stop vehicle No. Zagwe/5419—which left Tavoy for Yangon [Rangoon] driven by U Hla U—near Thalein Taw and Sakangyi Villages in Thanbyuzayat Township at about 0900 on 5 September. The car belonged to the Thein Than Soe Motor Vehicle Association. They attacked the car when it failed to stop and sped away. Passengers U Bee Ohn, alias U Nge, 52, of Kamyawgyi Village, Daunglon Township; and U Pe Myint, 36, of Panbedin Village, Daunglon Township, were injured by small arms ammunition in the attack.

The same group attacked vehicle No. Salein/9143—from the same association and driven by U Soe Lwin—with small arms at the same spot at about 0915. The two front wheels were blown off and the car came to a halt. The bandits robbed the passenger of 30,000 kyat worth of valuables and cash and retreated to the south. Maung Hla Kyaing, a passenger, and U Soe Lwin, the driver, were killed. Five passengers—U Han Lin of Naunglon, 34, son of U Tun Shwe; Ko Thein Hlaing, 26, son of U Thein Aung of (Htonbo) Township; U Paing Ke, 63, son of U Kwe He of Tavoy; Daw May Yee, 31, daughter of U Aung Myo of East Bassein Township; and U Khin Shwe, 27, son of U Thein Maung of Dawbon Township—were injured by small arms ammunition in the attack. The injured were taken to the Theinbyuzayat Hospital for treatment.

National Convention Group Meets on Constitution*BK1009092994 Rangoon Radio Myanmar in Burmese
1330 GMT 9 Sep 94*

[Text] The national convention delegate group representing the political parties held its meeting at Meeting Hall No.5 at 1000 today. At the meeting, Alternate Chairman U Tharzan Hla of the National League for Democracy [NLD] told the political parties to prepare the proposals on clarifying the prescription of the self-administered division or self-administered region, the legislature, the executive branch, and the judiciary chapters—which are to be included in the elaboration of a

constitution—delivered by U Aung Toe, chairman of the National Convention Convening Work Committee, and to present them to the Panel of Chairmen.

Continuing, U Nyunt Wai of the NLD and U Sai Aik Paung of the Shan Nationalities League for Democracy said their parties' proposals on four chapters—the prescription of the self-administered division or self-administered region, the legislature, the executive branch, and the judiciary chapters, which are to be included in the elaboration of a constitution—will be presented to the Panel of Chairmen only when they are completed, with no deadline being made.

U Tun Yi, secretary of the National Unity Party, said his party's proposal on the prescription of the self-administered division or self-administered region, which is to be included in the elaboration of a constitution, will be presented to the Panel of Chairmen on 19 September.

U Aung Khin of the Union Pa-o National Organization said his party's proposal on the prescription of the self-administered division or self-administered region will be presented to the Panel of Chairmen before the end of September.

U Ti Khong Keing of the Shan State Kokang Democratic Party said his party's proposal on the prescription of the self-administered division or self-administered region will be presented to the Panel of Chairmen only when it is completed, with no deadline being made.

U Maung Pein alias U Khin Maung Thein of the Mro or Khami National Solidarity Organization said his party's proposal on the prescription of the self-administered division or self-administered region will be presented to the Panel of Chairmen before the end of September.

U Kyar Ti of the La-hu National Development Party, U Saw Than Aung of the Union Kayin League, U Yan Kyin Kang of the Kokang Democracy and Unity Party, and U Marcos alias U Sai Lon of the Wa National Development Party said their parties' proposals on the prescription of the self-administered division or self-administered region, which is to be included in the drawing up of a constitution, will be presented to the Panel of Chairmen at the end of September.

The meeting ended at 1030 after a closing speech by Alternate Chairman U Tharzan Hla.

Meetings Continue 12 Sep*BK1209161694 Rangoon Radio Myanmar in Burmese
1330 GMT 12 Sep 94*

[Text] The coordination meetings of the Panels of Chairmen of the national convention delegate groups representing the workers and public services personnel; a report-preparing group; and members of the Panel of Chairmen representing the other specially invited delegate group were held at the designated meeting halls in the Kyaikkasan Grounds in the morning and in the afternoon today.

At the coordination meetings, the participants held discussions on preparing the proposals for each chapter related to the prescription for the self-administered division or self-administered region; and the legislation, the executive branch, and the judiciary chapters—which will be included in the drawing up of the constitution—and read and scrutinized the suggestion reports presented to the Panels of Chairmen by the delegates.

Muslim Refugee Returns From Bangladesh Continue

BK1009142594 Rangoon THE NEW LIGHT OF MYANMAR in English 7 Sep 94 p 7

[Text] A total of 552 persons of 103 households arrived back at Ngakhuya and Kanyinchaung camps from Bangladesh on 1 and 2 September under the agreement reached between Myanmar [Burma] and Bangladesh.

Altogether 64,837 persons from 14,396 households have arrived back [from] Bangladesh so far since 22 September 1992.

Thai Group, SLORC Leaders Sign Gas Agreement

BK1009070794

[Editorial Report] Rangoon Radio Myanmar in Burmese at 1330 GMT on 9 September carries several reports on the visiting Thai delegation led by Major General Sanan Khachonprasat, minister of industry; and Dr. Sawit Phothiwhok, minister attached to the Prime Minister's Office.

The first report says "Members of the Thai delegation led by Industry Minister Maj. Gen. Sanan Khachonprasat currently in Myanmar [Burma] paid a courtesy call on Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar and commander in chief of the Defense Services, at the Ministry of Defense's Dagon House today.

Accompanying Sr. Gen. Than Shwe were Lieutenant General Tin U, secretary-2 of the SLORC; Brigadier General Lun Maung, minister attached to the Prime Minister's Office; U Khin Maung Thein, minister of energy; Colonel Kyaw Win, deputy director of the Directorate of Defense Services Intelligence; and U Tin Tun, director general of the Department of Political Affairs of the Ministry of Foreign Affairs. Accompanying the Thai industry minister at the meeting were Dr. Sawit Phothiwhok, minister attached to the Prime Minister's Office; Mr. Pornthep Techaphaibun, deputy minister of industry, and ministry members; and (Mr. Uthai Sisun), charge d'affaires of the Thai Embassy."

A later report says "Vice Admiral Maung Maung Khin, member of the SLORC and deputy prime minister, received the Thai delegation led by Maj. Gen. Sanan and Dr. Sawit currently in Yangon at his guest hall at the Office of Ministers at 1100 today. At the meeting they held frank

and cordial discussions on matters concerning bilateral economic cooperation, including investments and energy."

The radio also adds that "A Thai delegation led by Industry Minister Maj. Gen. Sanan Khachonprasat called on Lt. Gen. Chit Swe, minister of forestry affairs, at the International Business Center on Prome Road at 1600 today. They held discussions on matters concerning bilateral relations, mutual beneficial economic cooperation, and wood-based industries."

The station continues by adding that "A ceremony to sign a joint communique on an agreement to sell natural gas from Yadana gas field in Myanmar's Gulf of Martaban to Thailand by the Ministry of Energy of the Myanmar Government and the Ministry of Industry of the Thai Government, and a ceremony to sign a memorandum of understanding were held at the Ministry of Energy's meeting hall on Prome Road at 0900 today. The joint communique was signed by Energy Minister U Khin Maung Thein and Thai Industry Minister Maj. Gen. Sanan Khachonprasat. Next, U Pe Tin, managing director of the Myanmar Oil and Gas Enterprise; the president of the Total Oil Company; the vice president of the Unocal Oil Company; and the president of the PTT [Petroleum Authority of Thailand] signed the memorandum of understanding related to the agreement on the sale of natural gas."

Finally, the radio says that "The Total Myanmar Exploration and Production company hosted a luncheon in honor of Maj. Gen. Sanan Khachonprasat, minister of industry; Dr. Sawit Phothiwhok, minister attached to the Prime Minister's Office; and entourage at Karaweik Hall. The Thai delegation, accompanied by Myanmar Deputy Energy Minister U Tin Tun, also visited Shwedagon Pagoda in the afternoon and presented donations."

Cambodia

National Assembly To Review Immigration Law

BK1309044094 Phnom Penh THE CAMBODIA DAILY in English 9-11 Sep 94 p 7

[Text] The controversial immigration law, passed by the National Assembly last month, will be re-examined before it is signed by the chairman of the National Assembly Chea Sim, an official said yesterday.

Recent expressions of concern from King Norodom Siha-nouk, who is being treated for cancer in Beijing, prompted the decision to take a second look at the law, according to Chan Ven, the deputy general secretary of the National Assembly.

"I am pleased that the National Assembly will re-examine the law," the king wrote in a letter obtained by the Cambodia Daily to Chea Sim's private secretary Um Sarit.

The king is concerned about the affect the law may have on Vietnamese living here legally.

The Ministry of Interior will invite the ambassador of Vietnam and legal experts to discuss possible changes in the law, Chan Ven said.

Sihanouk Urges Inquiry on Editor's Assassination

*BK1309043894 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 12-13 Sep 94 p 2*

[Letter from King Norodom Sihanouk to the Royal Government of Cambodia issued in Beijing on 9 September]

[Text] From: His Majesty Norodom Sihanouk Varaman, king of the Kingdom of Cambodia

To: Prince Krompreah Norodom Ranariddh, first prime minister, and Samdech Hun Sen, second prime minister of the Royal Government of Cambodia

Subject: The death of Mr. Non Chan

Most beloved samdech, I have learned from Mr. Pin Samkhon, president of the Khmer Journalists Association, about the death of Mr. Non Chan, editor of the SAM-LENG YUVEAKCHON KHMER newspaper, who was assassinated by two unidentified persons on Wednesday, 7 September 1994.

I ask the two samdech and the Royal Government to investigate and find the culprits who committed such a savage act in contravention of the state law and in violation of human rights so that they can be sent to the tribunal for legal action.

I sincerely and warmly thank the two samdech and the Royal Government in advance for helping render justice to the victim and for supporting and providing freedom to the journalists in line with the Constitution and democracy and also for protecting human rights for the sake of our mothland's prestige.

Samdech, please accept my high regards and profound and warm affection.

[Dated] Beijing 9 September 1994

[Signed] Norodom Sihanouk

Battambang Governor Denies Reports of Secret Prisons

*BK1209132794 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 12 Sep 94 pp 1, 11*

[Text] Ung Sami, the governor of Battambang Province and commander of the 5th Military Region, on 8 September flatly rejected reports accusing the province of maintaining a secret prison. He said: "The reports groundlessly accusing Battambang Province of secretly maintaining a prison at Chheu Khmau in Ek Phnum District and another known as "S91" at Ta Moem Monastery in the heart of the provincial town are all rumors."

He insisted that "there is no secret prison in the province as widely claimed," saying "local and foreign reports on the matter have caused panic and terror among the people

and had an adverse impact on the international community, making it appear that Cambodia only has cruel prisons."

It should be noted that a government team investigating the case went to Battambang Province on 7 September to see whether such secret prisons really exist and whether cruel torture was being practiced there, as human rights organizations have alleged. The investigation team was led by Pen Nal, adviser to the second prime minister, Samdech Hun Sen. The results of this inquiry into the supposed secret prison at Chheu Khmau are unknown.

Reports by human rights organizations on the secret prisons were published by foreign media, such as THE NEW YORK TIMES, WASHINGTON POST, INTERNATIONAL HERALD TRIBUNE, AFP, REUTER, FAR EASTERN ECONOMIC REVIEW, and several local newspapers. The reports described cruelties inflicted on prisoners by the military intelligence unit in control of the prison.

It is worth recalling that according to the human rights organizations sources, a secret UN report has said that the intelligence unit supervised by senior officers from a special intelligence battalion in the 5th Military Region has confined 16 people in the Chheu Khmau prison since November 1993 and that at least 35 prisoners have been executed since last August. FAR EASTERN ECONOMIC REVIEW, in its June edition, said there were detentions, arrests, tortures, and manslaughter in the prison, and that sometimes the flesh and livers of prisoners were removed, cooked, and served.

UN officials in Cambodia said that "our concern is that there are people still being detained in the prison, while the government worries about humiliation and honor."

Co-Interior Minister Yu Hockri reacted on 14 July to these reports, saying "the United Nations investigated the Chheu Khmau secret prison for more than a year, but it has learned nothing about it yet. As for the government, it is still in the dark too. He rejected all reports claiming that the government has attempted to cover up the atrocities committed by the military officials, saying the government does not hesitate to investigate.

Battambang Province Governor Ung Sami said such reports have tarnished his reputation as administrator of the province. He described Chheu Khmau as a monastery at the border of Siem Reap and Battambang Provinces. The monastery is on Siem Reap territory but under the administrative control of Battambang. The monastery was built a long time ago on 200 square meters of land. Since the time of the previous regime, Chheu Khmau has been a monastery where people worshipped. It is not a secret detention center as alleged: "I wish to reject those allegations totally."

The provincial chief at least promised, however, that he would cooperate with the government team in meticulously investigating the "Chheu Khmau" and "S91" cases in order to learn whether they are really prisons.

The investigation into the secret prisons in Battambang Province continues. The outcome is unknown.

PGNUNS Condemns Vietnam, Phnom Penh Leaders

BK1309025394 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 12 Sep 94

[“Communique” issued by the Secretariat of the Provisional Government of National Union and National Salvation on 12 September; place not given—read by announcer]

[Text] On Monday, 12 September, the cabinet of the Provisional Government of National Union and National Salvation [PGNUNS] held its weekly working session under the chairmanship of His Excellency Akhieu Samphan, prime minister and minister of the National Army, and with the participation of all its members.

After hearing the reports presented by each ministry and thoroughly discussing them in all aspects and with a high sense of responsibility, the cabinet summed up the current overall situation and developed a common political goal for the Cambodian nation and people to pursue as follows:

I. Since the ill-fated birth of the two-headed government, its policy and concrete acts have caused extremely heinous crimes of grave consequences to the Cambodian nation, people, and race. There are seven major crimes committed by the two-headed elements.

1. They are out-and-out flunkies of communist Vietnam.
2. They are out-and-out flunkies of the villainous Western alliance.
3. They continue to ignite communist Vietnam's war of aggression to do away with the Cambodian nation, people, and race.
4. They have conscripted the people as soldiers and militiamen in a fascist manner to fight and die in untold numbers.
5. At communist Vietnam's command, they have opened the border to Vietnamese nationals, allowing them to pour into Cambodia at will until there are 4 million of them in this country now, and they have issued Cambodian ID cards to millions of these Vietnamese nationals. These 4 million Vietnamese immigrants are now chomping and swallowing Cambodia.
6. They have given communist Vietnam a free hand to nibble at and grab Cambodian territory, seas, and islands by the tens of thousands of square kilometers.
7. They have issued fascist laws to undermine peace, national reconciliation, and the king's national reunification policy, using them as an excuse to outlaw Democratic Kampuchea.

All these heinous crimes of the two-headed elements have caused massive ruination to the Cambodian nation and people. The country's economy has hit rock bottom. The people's living conditions have deteriorated to an unimaginable level. Vietnamese nationals keep pouring in to sink Cambodia. As for those in the villainous alliance, they have been stirring troubles inside Cambodia, interfering as deeply as it pleases them.

Cambodia's current situation is marked by utter deterioration and a sense of hopelessness. The Cambodian nation and people are like the prey, the quarry that communist Vietnam and those in the villainous Western alliance regularly tear at and fight over in their race to bite our flesh and suck our blood.

All this situation shows that the two-headed elements are traitors. The puppets of communist Vietnam are traitors who have allowed communist Vietnam to destroy the Cambodian nation, people, and race for the past 15 years. As for the leaders of the American puppets, they are the latter-day traitors. UNTAC [United Nations Transitional Authority in Cambodia] and the villainous Western alliance, together with communist Vietnam, are the ones who gave premature birth to the ill-fated, accursed two-headed and three-eyed monster that has sold out the nation and betrayed the people without any remorse or shame. This monster is as barefaced and shameless as its boss, communist Vietnam.

II. In the face of this attempt by communist Vietnam to exterminate the Cambodian nation and race, of this interference by the villainous Western alliance to continue igniting communist Vietnam's war of aggression, and of these heinous crimes of the two-headed traitors, the entire Cambodian nation and people, in the countryside, in the cities, and abroad, will rise up in a very brave and persistent struggle. Our Cambodian nation and people are opposed to warfare, to battles and fighting, to genocidal communist Vietnam, to the grabbing and swallowing of Cambodia by the 4 million Vietnamese immigrants, and to the attempt by the villainous Western alliance to undermine peace and national reconciliation. Our Cambodian nation and people are resolutely opposed to the traitorous two-headed elements.

The systematic struggle waged in all forms and in all localities by our Cambodian nation and people, both in the countryside, in Phnom Penh, and abroad, has emerged as a national salvation struggle of our nation and people. This is because the entire Cambodian nation and entire Cambodian people have joined hands in waging the struggle based on guerrilla and people's warfare tactics, controlling the nation's destiny by ourselves and striving in the struggle to save our nation and race from extinction.

The Cambodian nation and people have condemned the traitorous two-headed elements, opposing and rejecting them and already passing a sentence on them. The Cambodian nation and people do not want the two-headed traitors. What we want is national reconciliation and peace. More than anything else, we want to live peacefully

so that we can work and make a living in normalcy. The Cambodian nation and people want a national government made up of national forces coming from all political affiliations, a national government that is clean and cares about the interests of the nation and people.

III. We now have the PGNUNS, which defends and represents the interests of our Cambodian nation and people. Our Cambodian nation and people fully supports this government. In the future, the Cambodian nation and people as a whole, both in the country and overseas, both the peasantry in the countryside and the fraternal people in Phnom Penh, will join hands with the PGNUNS in waging a national salvation struggle to save our Cambodian nation, people, race, and national soul from extinction. This is the most sacred, most holy goal that is dearer than our lives, a goal that all of us place on a flowery tray and fight to protect at all costs.

The entire Cambodian nation and people are united in the struggle based on lively guerrilla and people's warfare tactics, controlling our own destiny, helping ourselves, depending on the forces of our own nation and people, and relying on the locally available economic and material resources. We fight with everything we have in self-defense. If we had firearms, we would use them to fight for self-protection. If we had hatchets and knives, we also would use them for self-protection. Hoes and shovels can be used as weapons against the enemy. Punji sticks, cross-bows, booby traps, trees felled to block accesses, and the digging of large or small roads to prevent the enemy from moving their invading troops are all weapons of the people throughout the country. These weapons can be made by the National Army and the people. They can be produced by the tens or hundreds of thousands or by the millions to attack the enemy for national salvation.

Experience gained over the past month has clearly showed one truth: Wherever the guerrilla and people's war method is correctly and properly implemented on the basis of self-determination and self-reliance, the enemy cannot conduct their raids and can be attacked without restriction. The situation in the Phnum Voar area of Kampot Province is an eloquent example. No enemy can attack and capture it. The situation in Preah Vihear, Siem Reap, and many other areas also backs up this truth. Therefore, the guerrilla and people's war in which the National Army and people control their own destiny is the best policy to follow and most effective weapon to use by our Cambodian nation and people in the struggle to save and perpetuate the nation. The struggle of our Cambodian nation and people is not for winning powers but for saving the nation, achieving national reconciliation, and really uniting all national forces to form a correct and clean national government capable of solving all problems for the nation and defending and perpetuating the Cambodian nation and race.

Long live the forces of national union! Long live the Cambodian people! Long live the National Army of Democratic Kampuchea! Long live the immortal guerrilla and people's war!

[Dated] 12 September 1994
[Signed] Secretariat of the PGNUNS

Indonesia

Explosion at Nuclear Center Near Jakarta Reported

OW0309082494 Tokyo KYODO in English 0813 GMT
3 Sep 94

[Text] Jakarta, Sept. 3 KYODO—An explosion rocked a nuclear center near Jakarta on Wednesday [31 August], killing one employee and injuring a cleaning service worker, news reports said Saturday.

Mass-circulation daily KOMPAS reported that the explosion occurred at around 1:30 P.M. Wednesday at the Technology Research Center of Reactor Safety, located in a research complex in Serpong area, about 30 kilometers southwest of Jakarta.

The research center is owned by the National Atomic Agency (Batan), a state-run agency. It administers the nuclear center along with its 30-megawatt research reactor, provided by Siemens AG of Germany.

Kompas identified the victim as Waluyo, 39, and the injured as Supriyanto, 26.

A source who asked not to be identified told the newspaper that the blast came from a component of a used air-conditioner in a storeroom at the nuclear center.

However, Djali Ahimsa, director general of Batan, said the blast seemed to have come from nonradioactive minerals stored there.

Djali said he was informed of a chemical smell leaking from the storeroom.

He said it was probably natural gas such as methane, which is not dangerous to humans.

"We have not ruled out sabotage," Djali was quoted as saying in the English-language newspaper JAKARTA POST.

Certain groups might have caused the blast in an effort to discredit Batan, he said, in an apparent reference to staunch opposition among some nongovernmental organizations to the government's plan to build Indonesia's first nuclear power plant on the Muria peninsula on the northern coast of densely populated central Java.

A Japanese company has already completed off-site feasibility studies for the project.

The Indonesian Environmental Forum, a nongovernmental organization, demanded that the government thoroughly inspect the extent of the damage and determine whether the blast caused radiation leaks. It said the government should not try to cover up the case, because the public has the right to know.

Police and military officers sealed off the complex and were still guarding it Saturday, and would not allow journalists in the area.

Jakarta To Send 250 Military Personnel to Bosnia

BK1309024494 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 13 Sep 94

[Text] Indonesia will send 250 military personnel to Bosnia-Herzegovina. Armed Forces Commander General Feisal Tanjung is scheduled to see off the contingent made up of officers and non-commissioned officers in Jakarta on 20 September. Lt. Gen. Mantiri, chief of the General Staff of the Armed Forces of the Republic of Indonesia [ABRI], said in Surabaya that the ABRI personnel, most of whom are army doctors, will be in Bosnia-Herzegovina for one year and their stay will be extended indefinitely if needed. The medical personnel will bring along various medicines to carry out their humanitarian duties for war victims in that country. A number of ABRI personnel are now serving as military observers in that country.

Suharto, Mandela Discuss East Timor, Trade

BK1309044594 Jakarta THE INDONESIA TIMES in English 5 Sep 94 p 1

[Text] President Suharto and the visiting South African president, Nelson Mandela, held frank talks on various issues, including on East Timor.

"We have frank and candid talks," Mandela said in a press conference here on Saturday afternoon.

In a meeting with President Suharto at the Merdeka Palace Saturday morning, Mandela raised questions on East Timor. Suharto comprehensively explained to Mandela the integration process of the former Portuguese colony into Indonesia.

"Mr. Suharto positively responded my question on East Timor. I believe the Indonesian government would be able to handle the issue," Mandela said.

Mandela was confident that under President Suharto leadership, East Timor issue would be resolved. He added that he only raised general questions on East Timor, but he refused to say specifically about his questions.

Being aware of Suharto's position as chairman of the Nonaligned Movement (NAM), Mandela also asked the role of the movement in resolving international issues.

"I am confident that NAM still has important role, particularly on ways to handle poverty, illiteracy, and health issues," he added.

Mandela to say his visit was not for seeking financial aid from Indonesia, but added that they discussed possibilities of promoting bilateral cooperation between the two countries although there is no formal diplomatic relation between Indonesia and South Africa.

"The talks was really very fruitful for both sides," Mandela added.

Mandela arrived in Jakarta on Friday for a two-day informal visit, and he returned home on Saturday.

Briefing newsmen on the meeting between the two leaders, Minister/State Secretary Mardiono said that Mandela and Suharto have also exchanged views on human right issue, particularly on how to practice the issue in the developing countries.

The meeting, said Mardiono, was in the context that Suharto as chairman of the ruling Golkar [Functional Group] Patron Council and Mandela as chairman [of the] African National Congress (ANC).

Mardiono said that discussion on East Timor was in the context of human right issue. "For Indonesia, East Timor issue had been settled," Mardiono said.

Mardiono confirmed that the two leaders have also emphasized the need to boost trade between the two countries. Indonesia will explore possibility of importing coal from South Africa. President Suharto proposed a counter trade—Indonesia will export crude and South Africa will export coal to Indonesia.

Mandela paid a courtesy call on House Speaker Wahono in Jakarta Saturday.

In the company of South African Supreme Council Chairman Cyril Ramaphosa, Presidential Advisor A. Kathrada, and his personal aide, Mandela who is also president of South Africa, told Wahono that he was deeply impressed by the results of the national development in Indonesia.

The African leader, who has fought against apartheid for a long time, said he might send a mission to Indonesia to study finances, including foreign debts being managed in this country where the economic growth rate has increased by seven percent.

Mandela said South Africa was very rich in natural resources, but largely still untapped for lack of skill and experience. He, therefore, said his country was also interested in learning from the Indonesian experience.

The ANC chief also wished to enhance economic and trade relations with Indonesia.

He dwelled on his country's experience in fighting against racial segregation (apartheid). In the struggle, he gained support from the people of Indonesian descent now totaling some 300,000 led by Syeh Yusuf.

Wahono, who is also chairman of the People's Consultative Congress (MPR), on the occasion, also briefed his guest on matters relating to the legislative assembly and emphasized the need for enhanced relations between the parliaments of the two countries.

For this purpose, the two countries should organise an exchange of visits by the MPs of the two countries.

Government Not To Arrest Banned Sect Members*BK1309092594 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 13 Sep 94*

[Text] The government will not arrest followers of the Darul Arqam [Indonesian name for the al-Arqam Movement, which originated in Malaysia] in Indonesia following the banning of the religious sect in Malaysia. Religious Affairs Minister Tarmizi Taher said in Medan that the Government of the Republic of Indonesia had no interest whatsoever in the banning of the Darul Arqam. What the government is doing is purely aimed at preserving national unity and cohesion.

Regarding religious guidance for the followers of the Malaysian-based religious sect, the religious affairs minister said the government has established a central guidance team assisted by various religious organizations at home.

In this regard, Attorney General Singgih said each high prosecutorial office has been authorized to ban or not to ban the Darul Arqam in the area under its jurisdiction. The Darul Arqam has been banned in 12 provinces. The number of its followers is still relatively small in Indonesia. Thus, the sect has not been regarded as a force that endangers the nation.

Suharto May Support Salinas for WTO Post*BK1309084994 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 13 Sep 94*

[Text] Indonesia will seriously consider support for the candidacy of Mexican President Carlos Salinas for the post of director general of the World Trade Organization [WTO]. That was President Suharto's reply to President Salinas' message conveyed by special Mexican envoy Antonio de Icaza. The head of state received the Mexican presidential envoy at Bina Graha [Presidential Office] in Jakarta this morning.

Answering questions from reporters, Antonio de Icaza said about 30 countries support the candidacy. A decision on the post will be made next January.

Asia-Pacific Business Network Forum Hailed*BK1009140894 Jakarta THE JAKARTA POST in English 26 Aug 94 p 4*

[Editorial: "Pacific Basin Network"]

[Text] We did not expect much from the inaugural meeting of the Asia-Pacific Business Network (APB Net) which ended in Jakarta yesterday with six points of policy suggestions for the Asia-Pacific Economic Cooperation forum. After all, it was the first of such forums organized by businessmen from among the APEC [Asia-Pacific Economic Cooperation] members.

In fact, the idea of the APB Net was conceived only last March during the meeting of the APEC Working Group on Trade Promotion in Bali. It was not endorsed by senior

APEC officials until May. But the participation of more than 200 businessmen from 16 of APEC's 17 members in the meeting proved that the forum did serve some purpose.

The idea of the need for a separate forum for the private sectors of APEC members was initially confused with the Pacific Business Forum (PBF) which was recommended by the first APEC leaders meeting in Seattle last November. The Indonesian and Australian chambers of commerce had to undertake an intensive information campaign to explain the different functions of the two forums.

The business community apparently is afraid that the PBF would not be able to fully represent its interests in the decision-making machinery of APEC. Indeed, the PBF smacks more of an official forum rather than a businessmen's forum because its membership, which is limited to two from each member economy was appointed by government. Indonesian representatives in the PBF, for example, are A.R. Ramly and Bustanil Arifin, who are both retired officials.

The APB Net thus seems to have a right to exist because it is an initiative by the business communities of APEC members and it is action oriented, while the PBF serves more as an advisory committee on business development policies.

Yesterday's agreement to convene the second APB Net meeting in Japan next year seems to prove the need for a fully private business forum within APEC.

Indeed, the business community should have an avenue for conveying input for the trade and business development policies to be made by the various APEC working groups and committees, as well as the Pacific Business Forum. After all, it is the business communities in the APEC members who are the main players in whatever forms of economic cooperation are developed under the APEC forum. Any policies made by APEC will be rendered meaningless if they are not translated by the businessmen into economic linkages through business joint ventures or trade ties.

The question, though, is whether setting up another forum, such as the APB Net, will be the most effective and efficient way to achieve that objective. The press statement issued at the end of the meeting yesterday did not mention anything about the structure of the APB Net, nor about its membership and mechanism of operations.

Instead, some of the working programs the APB Net said it would implement face the risk of duplicating the work being done by the APEC Working Groups on Trade and Investment Data and on Trade Promotion.

The programs for exchanging data base and economic information between members may duplicate the APECNet which carries and conveys the trade, investment and general economic data of APEC members. And the plan to hold a seminar on small and medium-scale business development in Australia early next year may overlap with the work of APEC's Expert Meeting on the same topic.

It is simply all right if businessmen from APEC members agree to meet annually under a loose and unstructured forum before APEC's ministerial meeting. But perhaps, the most effective way to ensure that the business community will have a say, or influence, in the APEC decision making process is for APEC leaders to allow for adequate businessman participation in the work of the various working groups, committee and expert teams of the forum.

Controversy Over Abortion at Cairo Meeting Viewed

BK1009104094 Jakarta THE JAKARTA POST in English 31 Aug 94 p 4

[Editorial: "Controversial Cairo Meeting"]

[Text] Never before has a planned international conference been so controversial that it has stirred up a storm of protests from both the Catholic and Moslem worlds. Yet that is the case with the United Nations Conference on Population and Development, scheduled to be held in the Egyptian capital of Cairo next week.

The focus of the conference is to find ways of solving population problems and to boost social development by stabilizing population. The methods of doing so, according to the draft document, involve the allowance of abortion, the use of contraception and concern with healthy sexual behavior.

Obviously these are things that are not acceptable in terms of strict religious ethics.

First, the highest leader of the Roman Catholic Church, Pope John Paul II, criticized the UN-sponsored conference as anti-family and a threat to the traditional family structure. In this context, he pointed an accusing finger at the action plan of the conference, which authorizes abortion in reining in population growth.

Then, the Iranian media assailed the draft document for the conference, saying that it legalized, under the legitimate banner of population control, abortion, homosexuality and pre-marital sex, which Iran's journalists branded "immoral practices".

And yesterday, Saudi Arabia and Turkey said they would not send their delegations to the conference, while a more vocal Sudan also decided to boycott the meeting, saying that the proposed program of the conference contradicted moral and religious values. All three countries are Moslem nations.

The fear of overpopulation, in fact, was aired early last century when British economist, Thomas Robert Malthus, predicted that mankind would one day be doomed to near-starvation because population growth increases at a much faster rate than that of food production. Even then Malthus called for efforts to cut the birth rate by sexual restraint.

Now, many countries, particularly developing nations, are running family planning programs through which they hope to rein in their individual population growth rates.

Indonesia, for example, has been highly praised for its family planning scheme by international communities and organizations, including the UN, because it has successfully controlled its population growth through its small but healthy family concept

As a country with a predominantly Moslem population and highly developed cultural ethics, Indonesia is also against abortion and extramarital sex.

Abortion is authorized here only when the delivery of a baby endangers its mother's life; or for other reasons justified by the law, such as the abnormal development of a fetus, which could end up with the physical deformity of a child.

In that light, it will not be surprising should the proposals of the Cairo conference be rejected by Indonesia.

Hopefully State Minister for Population Haryono Suyono, who is scheduled to lead the Indonesian delegation to the conference, will reject not only the objectionable proposals being put forth in Cairo, but also will mobilize other nations to support the effective and positive family planning policies which Indonesia has demonstrated successfully worldwide.

Bilateral Cooperation Pact Signed With Gambia

BK1209135694 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 12 Sep 94

[Text] Indonesia and Gambia have signed a bilateral economic and technical cooperation agreement. The agreement was signed by Foreign Minister Ali Alatas and Gambian Minister of External Affairs Jallow Landing Sonko in Jakarta today.

Indonesia, within the framework of South-South cooperation, has provided Gambia with training programs in the fields of family planning, information, health, small and medium scale industries, and hotel management.

Indonesia's export commodities to Gambia are tobacco, household equipment, chemicals, manufactured goods, textiles, and garments.

The bilateral economic and technical cooperation agreement which was signed is a basic agreement for the two countries to further upgrade and strengthen their bilateral relations.

Thailand

UK's Hurd, Chuan Discuss Trade, ASEAN

BK1309085194 Bangkok Radio Thailand Network in Thai 0530 GMT 13 Sep 94

[Text] Foreign Minister Squadron Leader Prasong Sunsiri accompanied the British Foreign Secretary Mr. Douglas

Hurd for a courtesy call on Prime Minister Chuan Likphai at Government House this morning.

After the meeting, Sq. Ldr. Prasong reported on the outcome of their discussion. Regarding trade, investment, and the economy, the UK foreign secretary expressed his keen interest saying that UK wants greater business cooperation with Thailand. He said he will discuss this in detail with Deputy Prime Minister Suphachai Phanitchaphak.

[Begin Prasong recording] He is on an official visit to Thailand and has just paid a courtesy call on the prime minister. The two exchanged views on various issues. On politics, he expressed interest in the development of our country and asked the prime minister about the principle and direction of our national development and national administration under the democratic system. They also discussed regional issues, including ASEAN and its relations with other countries in this region, especially Indochina and Burma. The discussion also touched on ASEAN relations with Japan, as the prime minister has just returned from Japan. Another major topic was business cooperation, as the British foreign secretary has a group of British businessmen on this trip to Thailand. They are interested in making contacts on trade and investment in various areas. The British foreign secretary will discuss this issue in detail with Deputy Prime Minister Suphachai. [end recording]

UK Seeks ASEAN Forum Membership

*BK1309054894 Bangkok BANGKOK POST in English
13 Sep 94 p 6*

[Text] Britain yesterday expressed interest in joining the newly formed ASEAN Regional Forum (ARF), a post-Cold War loose consultative body intended to serve as a safety valve and possible peace-maker for conflicts in the Asia-Pacific area.

Foreign Ministry spokesman Suwit Simasakun told reporters last night that visiting British Foreign Secretary Douglas Hurd made known Britain's interest in ARF during a one-hour meeting with Foreign Minister Prasong Sunsiri.

Mr Suwit said Mr Hurd asked about the ARF, officially launched in July in Bangkok as part of the 27th ASEAN foreign ministers meeting, saying the five permanent members of the United Nations Security Council could take part and contribute to building confidence and stability in the Asia-Pacific area.

Mr Hurd was also quoted as saying that several European countries were interested in taking part in the forum.

Currently, some European countries are taking part in the ARF under the European Union (EU) because the grouping is a dialogue partner of ASEAN.

ARF groups the six ASEAN members, their dialogue partners, Australia, Canada, Japan, New Zealand, South Korea, the United States and the EU, and invited guests China, Laos, Papua New Guinea, Russia and Vietnam.

Squadron Leader Prasong was quoted as saying Britain's interest could be conveyed to Brunei, who currently chairs the ASEAN Standing Committee which is in charge of organising next year's ASEAN foreign ministers' meeting and the ARF.

During the one-hour meeting last night, Mr Hurd and Sq Ldr Prasong also signed a major bilateral treaty to crack-down on international crime known as the UK-Thailand Mutual Legal Assistance Treaty.

The treaty allows for the investigation of serious crime including drug trafficking of fences and also for the tracing, freezing, and confiscation of the proceeds of these crimes.

Examples of mutual legal assistance include executing requests for searches and seizures, transferring persons in custody for testimony, locating or identifying persons, and providing documents, records and evidence.

In his statement at a dinner he hosted for Mr Hurd, Sq Ldr Prasong said the ability to conclude the treaty after only two rounds of talks reflected not only the spirit of friendship and cooperation between the two countries, but also the strong determination to cooperate in crime prevention and suppression.

"By providing a legal framework for mutual assistance between the two countries in the investigation, prosecution and other proceedings relating to criminal matters, this treaty will enable the criminal law enforcement authorities of both sides to join forces closely and effectively in preventing and eradicating crimes on British and Thai soils," he said.

Ministers Prepare for Upcoming ASEAN Meeting

*BK1209074894 Bangkok BANGKOK POST in English
12 Sep 94 p 30*

[Text] Key ministers have met to discuss the country's position before next week's ASEAN Economic Minister's meeting, a Finance Ministry representative said.

He said ministers from the Ministries of Finance, Commerce, Industry and International Affairs met to discuss on the preparation for the ASEAN Economic Minister Meeting or the so-called AFTA [Asian Free Trade Area] council which will be held from September 19-25 in Chiang Mai.

The source said the chairman of the meeting, Finance Minister Tharin Nimmanhemmin said a proposal to establish the AFTA secretary will be raised at the Chiang Mai meeting.

The secretary office will co-ordinate the form the Asean Free Trade Area (AFTA) scheme, said the representative.

He said the ASEAN group will retain the nine-digit harmonised system rather than subscribing to the six-digit system suggested by GATT.

ASEAN maintained that the nine-digit system is a more comprehensive classification system, he said.

Thailand's stance to keep petrochemical products under the Exclusion list—under the normal track—is still unclear, the representative said.

He said Thailand will revamp the tele-communication system to be on par with other ASEAN members.

The representative said: "Certain member countries have limitations when travelling overseas. This poses a barrier to cooperation among the ASEAN bloc. The subject will be discussed during the Chiang Mai meeting."

He said Mr Tharin had ordered agencies to seek ways to use it as an instrument to speed up the realisation of AFTA.

Subjects such as the acceleration of AFTA, tax cut framework to comply with the General Agreement on Tariffs and Trade Uruguay round, cooperation on services, financial services transportation, insurance and intellectual property will be discussed during the meeting.

Government, Private Sector Support APEC Plans

BK1009102394 Bangkok BANGKOK POST in English 10 Sep 94 p 17

[Text] The Thai Government and private sector have expressed support for the Asia Pacific Economic Cooperation group's target for free trade and investment in the year 2020.

The suggested target came from a report entitled "Achieving the APEC Vision: Free and Open Trade in the Asia Pacific", prepared by the Eminent Persons' Group of APEC, headed by American economist Fred Bergsten.

The Business Economics Department this week held a seminar to seek comments on the report and on a plan to set up a Dispute Mediation Service to settle disagreements which fall outside the scope of the World Trade Organisation (WTO).

The participants included representatives from the Board of Trade of Thailand, Federation of Thai Industries, Bank of Thailand, National Economic and Social Development Board, Board of Investment and the Industry, Finance, Foreign Affairs and Agriculture and Agricultural Cooperatives ministries.

The issue is likely to be discussed by ASEAN members at the meeting of the group's economic ministers in Chiang Mai on September 22 and 23.

ASEAN leaders are scheduled to form a common stance on the issue. Prime Minister Chuan Likphai and Philippines' President Fidel Ramos agreed late on Thursday that ASEAN leaders would have an informal meeting before gathering for the APEC meeting in Indonesia in November.

A Commerce Ministry source said participants agreed Thailand would not resist the trend for more liberalisation of trade and investment, such as through the ASEAN Free Trade Area and North American Free Trade Arrangement.

They believed Thailand could develop its economy to cope with free trade and investment by 2020 as this would be long enough for the country to upgrade its industries, the source said. Thailand, with projected annual economic growth of 7-8 percent, would have a much expanded economy by the target year.

Dr Narongchai Akkhraserani, a Thai representative among the Eminent Persons' Group, took part in the seminar to explain its thinking.

Prayun Thaloengsi, executive director of the Board of Trade, said free trade and investment in APEC was not a worry because the private sector had to adjust to this situation.

Army Official on Repatriation of Mon Refugees

BK0909140994 Bangkok Radio Thailand Network in Thai 1200 GMT 9 Sep 94

[Text] Thailand's repatriation of Mon refugees to Burma has resulted in it being accused by Amnesty International of unfair treatment of the refugees and of placing their lives at risk due to a lack of safety in the area to which they were repatriated. On this issue, First Army Regional Commander Lieutenant General Chettha Thanacharo said the repatriation complied with the government's policy, which was to evict people who entered the country illegally. Moreover, the presence of these people affected the livelihood of Thai people along the border, the environment, and national security. Chettha said the repatriation process followed steps which were humane. If fighting erupts again in Burma, Thailand will be broad-minded enough to receive the affected people again.

[Begin Chettha recording] I can give assurances that we respect the opinions of the international community—the United Nations. Regarding the Mons, as I am in charge of the First Army Region, I can say that I had to follow the government's policy for various reasons. First, the entry of the Mons was illegal. Second, their presence affected the livelihood of Thai people along the border. Third, destruction of the environment—the forest—was unavoidable. Fourth, their continued presence would have affected national security. There were also other repercussions resulting from their presence. They therefore had to leave. Their departure was achieved humanely. They went to areas which are safe.

I would add that if fighting erupts after their return and their safety is threatened, they can cross into Thailand again. They will have to return once the situation in their country becomes normal. [end recording]

Muslims Condemn Malaysian Arrest of Sect Leader

BK1009093294 Bangkok BANGKOK POST in English 10 Sep 94 p 3

[Text] Thai Muslim lawyers have lodged a protest with the Malaysian prime minister and his Government claiming

they abused their authority and committed human rights violations in arresting Al-Arqam sect leader Ashaari Mohammad and his followers.

In a protest letter submitted to the Malaysian Embassy in Bangkok by four Thai Muslim lawyers led by Somchai Nilaphaichit, the group said Kuala Lumpur had colluded with the Thai Government in taking unfair action against the sect members after they were deported by Thai police.

The embassy official who received the letter told the group the embassy would forward the protest to Malaysia.

Mr Somchai, chairman of the Muslim Lawyer Club, said his club would cooperate with human rights groups to campaign for the release of the sect members if the Malaysian Government and Prime Minister Mahathir Mohamed continue to detain them.

The lawyers will also submit a letter to the United Nations asking it to intervene in the case, he said.

The Malaysian Government says it has the right to detain Ashaari Mohammad and his followers for up to two years without trial under Section 73 of Malaysia's Internal Security Act.

The lawyers said a girl was among those detained by the Malaysian Government.

This clearly shows an authoritarian nature, abuse of power and violation of basic human and political rights, they said.

The group also said Ashaari and his followers should be given the right to temporary freedom while being tried in court if they had committed any offence under Malaysian law.

The sect should be freed quickly once they are proven innocent.

The lawyers called on the Malaysian people to rise and fight against their government and urged Asian and Muslim nations to cut diplomatic ties with Kuala Lumpur if it continues to abuse its power.

Mr Ashaari was picked up by Thai police last Friday in northern Thailand after his passport and those of his followers were canceled by the Malaysian Government.

He was then deported to Malaysia where he was immediately detained under the internal security act.

Six other sect members, including Mr Ashaari's wife and six-month-old daughter, were later deported to Malaysia where they were also reportedly detained under the same law.

Cabinet Approval of Property Rights Court Expected

BK1209051494 Bangkok THE NATION in English 12 Sep 94 pp A1, A4

[Text] The Cabinet is expected to approve a draft bill to establish an intellectual property court at its weekly meeting tomorrow.

A Government House source said that relevant government agencies have approved the bill, which was drawn up by the Justice Ministry.

The new court system follows a series of amendments to patent, trademark and copyright laws.

The House of Representatives has approved the latest version of the Copyrights Bill which is now in the Senate for final endorsement.

The intellectual property court is designed to help the country deal better with international trade disputes and promote technology transfer.

The draft bill consists of 44 articles in four main sections.

The intellectual property court will be empowered under criminal and civil codes relating to the laws on trademarks, patents and copyrights. Its rulings will be made with regard to criminal offenses under Article 271 and 275.

It will be unrelated to the Youth and Family Court.

The intellectual property court will work in isolation from the civil, criminal and provincial courts.

Judges will be selected from those with expertise in relevant areas. Besides following the same procedure as civil and criminal courts, it will also have its own procedure regarding the gathering of evidence.

It will also be empowered to set precedents for future cases in the event that evidence cannot be kept for future re-use, and to confiscate or seize evidence in special cases.

The intellectual property court will also be able to order experts to appear before it to give opinions.

If there is an appeal, it will go directly to the Supreme Court. If an appeal is accepted then the Supreme Court will rule on it.

The central intellectual property court will cover Bangkok, Nonthaburi, Pathum Thani and Samut Prakan. Provincial intellectual property courts will be set up under a Royal decree.

According to official statistics, there were 197 copyright violation cases in 1992, one involving a patent and 536 involving trademarks. The number of cases in 1993 were 269, five and 573, respectively.

Australia Urges IPR Talks at APEC Meeting

BK1309064894 Bangkok BANGKOK POST in English 13 Sep 94 p 22

[Text] Australia has been lobbying Thailand for its support of the proposed intellectual property rights [IPR] protection legislation as the 11th topic to be discussed at the Asia Pacific Economic Cooperation (APEC) meeting this November, said Commerce Deputy Minister Churin Laksanawisit yesterday.

Thailand, as a signatory of the Uruguay Round of GATT, supports the protection legislation, Mr Churin said, who has recently returned from Australia.

He said apart from 10 bilateral trade promotion issues, Australian officials also proposed the intellectual property rights issue to be included at the next APEC meeting to be held in Indonesia.

"We affirmed Thailand's commitment to comply with the new rules on intellectual property rights protection, as Thailand also plans to amend four laws relating to this issue."

However, Thailand must consult the issue with other ASEAN countries during the upcoming ASEAN Economic Ministers meeting this month.

Thailand and Australia will this December sign an agreement on intellectual property rights cooperation in order to encourage investment between the two countries. Australia also supports Thailand in its drive to be an intellectual property rights centre for the ASEAN and Indochina region.

Ministers View Gas Purchase Deal With Burma

BK1009115094 Bangkok BANGKOK POST in English
10 Sep 94 p 17

[Report by Bunsong Kositchotthana from Rangoon]

[Text] Shrugging off anti-Rangoon groups' allegations of its support for the Burmese military junta, Thailand yesterday signed a historic accord to import natural gas in a deal that will generate annual income of about 10 billion baht for Burma.

Thai Industry Minister Sanan Khachonprasat, who signed the memorandum of understanding committing Thailand to 30 years of gas purchases, insisted that the deal serves the best interests of energy-hungry Thailand.

Prime Minister's Office Minister Sawit Phothiwihok said the deal for gas from the offshore Yadana (jewel in Burmese) field would generate much-needed foreign exchange to support developments leading to positive changes in Burma.

Dr Sawit said the deal conforms with an ASEAN declaration, adopted at last month's Bangkok meeting, that the six-country group should extend economic support and cooperation to help bring Burma into the "world arena".

Maj Gen Sanan, citing China as an example, said an improved economy would contribute to positive political change in the country of 44 million people.

The gas exports will become one of top foreign-exchange earners for the former British colony, spurring investment of about 25 billion baht.

Foreign-based anti-Rangoon groups charged that the parties to yesterday's deal—the Thai Government, the Petroleum Authority of Thailand (PTT), the consortium of

France's Total and US energy group Unocal Corp—were supporting human-rights abuses.

Dr Sawit said Thailand's purchase of Yadana gas is driven by the fact that the country's own natural gas resources, mostly in the Gulf of Thailand, are limited, and incremental development cannot catch up with fast-growing fuel demand for power generation.

Thailand's electricity demand is growing at an annual rate of more than 10 percent.

The accord calls for the Total-Unocal group, acting as production-sharing contractors to Burma, to develop Yadana, 320 kilometres south of the Burmese capital in the Gulf of Martaban, and deliver the gas to the Thai border.

Unocal says the consortium is required to supply 130 million cubic feet per day (MMcfd) of Yadana gas to PTT by mid-1998, and increase delivery to more than 525 MMcfd within 15 months thereafter. Production could eventually reach 650 MMcfd, including volume for Burma's domestic consumption.

The gas will be transported via a 400-kilometre pipeline to be laid southward from Yadana to the Thai border at Pailok, Kanchanaburi. From there it will be linked by a 300km-plus onshore line to Rat Buri where a 2,800-MW gas-fired power plant will be built at a cost of more than 70 billion baht.

Regarding threats of sabotage to the pipeline, which will be routed through border areas controlled by anti-Rangoon Mon and Karen minority groups, the Thai ministers said that was Rangoon's problem.

They said the agreement contains penalties in the event that gas supply is delayed or disrupted by such events.

Thailand's "hands off" attitude is explained by the fact that the country has agreed to buy the gas at the Thai border, Thai officials added.

Dr Sawit also took issue yesterday with claims that the price of the Yadana gas PTT has agreed to buy, at a base of US\$3 per one million British Thermal Units (BTU) in mid-1998, is too high.

He stressed that the price includes the cost of delivering the gas via pipeline to the border.

He noted that the well-head price of Yadana gas would be about \$1.70 per one million BTU compared with nearly \$2 for gas produced from Unocal Thailand's Erawan field in the Gulf of Thailand.

The minister maintained that the Yadana gas should not result in higher fuel costs for the Electricity Generating Authority of Thailand (EGAT) than other fuel options. Consumers will not face higher electricity charges either, he said.

Burma's Energy Minister Khin Maung Thien, while declining to deal with the political issues of the gas deal, said Yadana's recoverable gas reserves have been certified at 5.8 trillion cubic feet.

John Imle, president of Unocal's energy resources division, called Yadana a "world-class natural gas resource".

Unocal holds a 47.5 percent interest in Yadana and Total 52.5 percent.

Editorial Criticizes Contract

BK1109115594 Bangkok THE SUNDAY POST in English 11 Sep 94 p 22

[Editorial: "Gas Contract With Rangoon Overrides Everyone's Future Best Interests"]

[Text] Human rights be damned. The Mon refugees must go and the gas must be allowed to flow through to fulfill Thailand's need for more energy and thereby continue to prop up an illegitimate government in Burma.

This was achieved recently when the Mon were forced to return to Burma after Thai authorities cut off their food supply and after the Government and Burma's State Law and Order Restoration Council [SLORC] struck a deal to buy natural gas from Rangoon.

This deal was made possible with the participation of Total SA of France and Unocal Corp of the United States, which together with the Petroleum Authority of Thailand, signed a memorandum on Friday with the Myanmar Oil and Gas Enterprise for the sale of natural gas from a massive offshore field being developed in the Andaman Sea by the two giant oil companies.

As for pushing the Mon refugees back to Burma, Thai-based analysts believe it is part of a campaign by some key Thai decision makers to force the Mon guerrilla group into a ceasefire with Rangoon. This is necessary because the onshore gas pipeline from the Gulf of Martaban to the Thai border runs through Mon territory.

The historic contract would earn the Burmese military regime \$400 million a year for 30 years after the gas is expected to be piped to Thailand starting in mid-1998. In return, Thailand would receive 130 million cubic feet per day (cfd) of gas when it goes online, rising to 525 million cfd in 15 months. Officials say it could eventually reach 650 million cfd under the terms of the contract.

Thai Industry Minister Sanan Khachonprasat, who signed the memorandum, insisted that the deal serves the best interests of energy-hungry Thailand. A PM's Office minister said the deal would generate much-needed foreign exchange to support development leading to positive changes in Burma.

This we have to see. Thirty years is a long time for a despotic regime to survive in a country where abuse of human rights is rife. Democracy forces inside and outside

Burma are relentlessly working toward the "second independence" of their country from a government which has ignored the aspirations of its people by negating the result of the 1990 election.

Thailand must bear in mind, so must Total and Unocal, that contracts signed with an illegitimate government will hold no water when the regime is overthrown and a democratic government elected by the people is installed. When this happens a free Burma will either renegotiate or declare null and void contracts signed by the previous administration which it does not recognise.

Daw Aung San Suu Kyi, under house arrest since 1989, spoke on foreign investments in Burma when US Congressman Bill Richardson and a New York Times reporter met her in February this year. Suu Kyi suggested that too many nations were using economic carrots, and not sticks, to encourage improvement in Burma's human rights.

Sending a clear message to foreign corporations, she said that foreign governments should consider whether their trade with Burma was "really helping the people or is it simply helping the government to dig in its heels. This is the question to be asked".

With the pending issue of political settlement yet to be resolved in that country, Suu Kyi's concern for the people should be food for thought to any foreign company wanting to do business with Burma. It is a fact that Burma's market economy benefits only a few—the ruling military elite, its immediate families and close associates.

One good example is the sale and availability of petrol to fuel Burma's estimated half-million vehicles. The commodity is limited to two-to-four gallons a week as of August when the official price was jacked up from 16 kyat to 25 kyat a gallon. However, an unlimited amount could be bought in the black market for 100 kyat to the gallon.

Sources inside the country claim this was possible because of the unlimited supply made available to military motor pools where lower ranking officials siphon off the commodity and resell it on the black market. These people have so much money that recently an army private involved in a motor accident with a civilian was said to have found 50,000 kyat overnight to pay for the damage caused to the civilian vehicle and thereby avoid legal action.

Meanwhile, Unocal, in a recent report to stock-holders, defended its business activities in Burma, saying its presence, not isolation, benefits people. It cited Thailand as an example saying that its natural gas production in the Gulf of Thailand has fuelled Thailand's robust economy since 1981.

It also pointed out that gas production helped launch Thailand's petrochemical industry and many other downstream businesses, creating thousands of jobs, and more than 93 per cent of Unocal's 1,150 employees are Thais, including many in management and supervisory positions.

No doubt Unocal will achieve the same results in Burma. But it must surely know the jobs will go to the people with Siorc connections and not to the ordinary Burmese. Unlike a democratic Thailand, where the wealth is shared with its people, Unocal's presence in Burma will benefit only the Siorc and its cohorts and fortify the grip it has over its already subdued populace.

Unocal also said that its investigations into allegations of human rights abuses and environmental destruction connected with the gas export pipeline found the claims absolutely false. But human rights groups and environmentalists say otherwise. The slave labour being employed on the Ye-Tavoy railway under construction speaks for itself. Burma says it is voluntary labour.

Dissidents and human rights workers claim it is one of the major infrastructure projects in southwestern Burma to pave the way for the 416 kilometre pipeline from the gas field to Thailand. Can Unocal guarantee its shareholders the 66-km overland pipeline to the Thai border will not be constructed by forced labour?

As for the presumption that the latest business package with Siorc would improve Burma's economy and bring positive political change for its 43 million people, we know this will not happen as long as the military remains in the driving seat. How can a country develop when more than half of a nation's budget is allocated for military expenditure? Today almost 300,000 men are in the armed forces.

The least Thailand and giant oil companies can hope for is that Siorc stays in power for another 30 years. If that does not happen, all parties involved can kiss the natural gas deal goodbye for then they will have to answer to an elected government which might declare the concessions illegal.

Country Emerges as World's Top Rubber Exporter *BK1209091694 Bangkok NAE0 NA in Thai 12 Sep 94 p 13*

[Text] The Business Economics Department reports that Thailand has emerged as the world's top exporter of rubber products, exporting an average of about 1.5 million metric tons a year. This figure represents 36 percent of the total rubber products in the world market. Seventy-four percent of the total Thai rubber exports, valued at 29 billion baht, are rubber sheets, while the remaining 26 percent comprises rubber bars, liquefied rubber, and other rubber products.

In the past five years, the volume of Thai rubber exports have increased by an average of seven percent a year, or about three percent in value a year. When world rubber prices fell in 1993, Thailand's total export value was approximately 29 billion baht. In 1994, the volume of rubber exports is expected to rise by about 10 percent.

According to the report, Thailand's major markets are Japan, which import about 0.5 million tons a year; China,

about 0.2 million tons; the United States about 0.16 percent; and Malaysia and European Union, about 0.15 million tons each.

Vietnam

'Increasing' U.S. Business Activity Outlined

*BK1109115894 Hanoi VNA in English 0652 GMT
11 Sep 94*

[Text] Hanoi VNA Sept. 11—For only six months since the United States' lifting of its embargo against Vietnam in February, there has been an increasing number of US businesses rushing into the country to inquire into its market, bring their products to fairs and exhibitions, or sign trading contracts with local partners.

These companies, engaging in various fields of business, such as trade, oil and gas, legal consultancy, banking, sea transportation, electricity supply, elevator, refrigerating technology and so on, usually came under the names of their branches in third countries—Caltex Singapore, Motorola Singapore, IBM Singapore, and Coca Cola Hong Kong.

The number of representative offices of the US companies in Vietnam has also increased rapidly by early July there had been 29 offices in Ho Chi Minh City only compared with seven by the end of last year. [sentence as received]

A number of trading contracts have been signed and are in progress. Worthy of note is a contract between Texas firm America Rice (member of the Los Angeles-based Irly Industry Group) and Vinafood II (Vietnam's Central Food Corporation II) to export to the USA 300,000 tonnes of rice per year in a 30-year period and under a contract to export bottled beer, the first shipment consisting of 200,000 bottles of Huda beer made in Hue city, central Vietnam, has been delivered, and the next shipment will consist of Saigon beer made in Ho Chi Minh City valued at over 1 million USD.

The Radix Group of America has signed an agreement with Vietnam's Vietrans (Vietnam Foreign Trade Forwarding and Warehousing Corporation) to act as its agent in transporting goods from Vietnam to America by air and by sea.

Two big banks of America, Citibank and Bank of America, are preparing or carrying out their financial-credit-banking activities in Vietnam.

A trade fair of Vietnam's goods for export under the name of Vietexpo'94 will be held in San Fransisco (California, USA), from the end of this month to early October, aiming at furthering the trading relations between the two countries.

Rice Export Contracts Signed

*BK1009143094 Hanoi Voice of Vietnam Network in
Vietnamese 1430 GMT 9 Sep 94*

[Text] As of the end of August 1994, Vietnam's rice export output had reached 1.3 million tons. This did not include

200,000 tons which were exported to China under small contracts. Apart from countries in East Asia, the Middle East, Africa, and South America, the market for Vietnam's rice now also covers the United States. American companies have signed contracts with Vietnam to import 700,000 tons of rice per year. In particular, America (Reed), an American food company, has signed a contract with (VINAFOSTINE) to purchase 300,000 tons of rice per year for 30 years. With these contracts, Vietnam's rice export output will reach 1.7 million tons per year.

Vo Van Kiet Receives UK Bank Official

BK1009080394 Hanoi VNA in English 1426 GMT 9 Sep 94

[Text] Hanoi VNA Sept. 9—Prime Minister Vo Van Kiet received here this afternoon Mr. Malcolm Williamson, managing director of the Standard Chartered Bank of Great Britain, who arrived here on Sept. 8 for a working visit.

The British director expressed his deep impression of the rapid changes in Vietnam over the past years, and spoke highly of the effective activities of the Vietnamese banking industry, its control of inflation in particular. He also expressed his wish to contribute to the construction in Vietnam by investing here and sharing banking experience with Vietnam.

P.M. Kiet thanked Standard Chartered Bank for its goodwill to assist the banking industry of Vietnam, saying he highly valued the assistance by the British bankers. He wished the bank success in its investment in Vietnam, which, he described as a bridge between businessmen in Vietnam and the U.K.

Earlier, Mr. Malcolm Williamson had working sessions with leading officials of the Vietnam State Bank during which they discussed orientation for the development of bilateral cooperation. He also attended the opening ceremony of the first Standard Chartered Bank's office in Hanoi.

British Foreign Secretary To Announce Loan

BK1109061194 Hanoi Voice of Vietnam in English 1000 GMT 10 Sep 94

[Text] British Secretary for Foreign Affairs Douglas Hurd will visit Thailand, Vietnam, Hong Kong, and Japan on 12-19 September to promote political and trade relations with Southeast Asia. This is the first visit to Vietnam by a British foreign minister.

According to a press release by the British Foreign Ministry, Mr. Hurd will announce a \$75 million loan to Vietnam, and sign an agreement on technical cooperation with 10 million pounds.

Vo Van Kiet Meets Episcopal Council Members

BK1209045594 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 11 Sep 94

[Text] At the prime minister's office on 10 September, Prime Minister Vo Van Kiet cordially met with members

of the Vietnam Episcopal Council [VEC] currently attending the 1994 annual meeting in Hanoi.

VEC Chairman Bishop Nguyen Minh Nhat, on behalf of the VEC and Vietnamese Catholics throughout the country, expressed their feelings and profound gratitude to the government for the care and attention given to the VEC activities and the Vietnamese Catholics' daily life. He pledged that the Catholic community will share the burden with the government in seeking happiness for the Vietnamese people in general and the Catholic community in particular.

In his cordial talks with the bishops, Prime Minister Vo Van Kiet solicitously inquired about the health of the VEC members. He commended Vietnamese Catholics throughout the country for their contributions, in term of energy and assets, to the cause of national construction and defense while leading a useful life to both the masses and religion.

The prime minister pointed out that the Vietnamese Government and religious organizations share the same responsibility in caring for the nation and people's destiny. Due to this common responsibility, our nation can maintain stability and is advancing step by step further through the renovation process. He said that good relations within the Vietnamese Catholic community have been maintained at an unprecedented level. This has proven as correct our party and state policy on national great unity. All Vietnamese, regardless of their religions, groups, and political views enjoy the right to be proud of their nation. They have the obligations to contribute their efforts to build the country to be more beautiful and prosperous.

On behalf of the Vietnamese Catholic community, Bishop Nguyen Minh Nhat expressed the determination to unite with people throughout the country to seriously implement the party and state lines and policies and to help one another to fight hunger and poverty, thereby contributing to building Vietnam into an independent, prosperous, and altruistic nation.

Party General Secretary Receives Catholic Bishops

BK1009133694 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 9 Sep 94

[Text] Members of the Vietnam Episcopal Council now in Hanoi to attend an annual meeting paid a courtesy call on party General Secretary Do Muoi on the afternoon of 9 September.

Cordially chatting with various bishops, party General Secretary Do Muoi pointed out that our people's duty at present is to concentrate on achieving socioeconomic development, preserving and developing aspects of our folk culture, carrying out industrialization and modernization, and making the people prosperous, the country powerful, and the society equitable and civilized.

In order to carry out this important duty, it is necessary to constantly consolidate the national solidarity bloc irrespective of religions and political affiliations; improve the people's intellectual standard, and continue to step up renovation, particularly the renovation of the managerial mechanism while fighting negative phenomena arising from structural change.

Party General Secretary Do Muoi asked the bishops to pass on his solicitous regards to Catholics throughout the nation. He cordially wished the bishops good health and expressed the hope that they would actively mobilize their followers to contribute their energy and assets to the cause of national construction and defense and to lead a life useful to both the people and religion.

On behalf of the Vietnam Episcopal Council, Bishop Nguyen Minh Nhat, its chairman, expressed the determination of the Catholic community to carry out the general secretary's advice about the need to comply with the party and state's policies and lines, and to associate themselves with the compatriots nationwide in building an independent, self-reliant, prosperous, and powerful Vietnam.

Official Comments on Cambodia's Immigration Law

BK1309045094 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 13 Sep 94

[Interview with unidentified chairman of the Committee for Overseas Vietnamese by an unidentified NHAN DAN reporter; place and date not given—read by announcer]

[Text] [Reporter] There have been reports on terrorist acts against and massacre of Vietnamese nationals in Cambodia. Does this situation have anything to do with the immigration law recently passed by the National Assembly of the Kingdom of Cambodia?

[Chairman] Only recently, on 27 August 1994, the Khmer Rouge kidnapped four Vietnamese fishermen in Kong-pong Chhnang. In following days, in various localities and even in Phnom Penh, there were many arrests, threats, and much blackmailing against Vietnamese residents in Cambodia in an attempt to compel them to sell their houses on the grounds that the immigration law is being enforced. Most seriously, on 6 September 1994, more than 30 armed men riding in over 10 motor boats fired indiscriminately in an attack against a docking site of Vietnamese fishermen's houseboats on the Tonle Sap River, Prek Kdam Commune, Koh Chan Village, Ponhea Loe District, Kandal Province, killing four Vietnamese and wounding five others, including two children—one aged two years and the other two and a half months old. They took away all the money and other valuables of these overseas Vietnamese compatriots.

It should be recalled here that the Cambodian immigration law was urgently passed and promulgated and became effective immediately on 26 August 1994 despite the fact that the world public expressed much reservation over the

draft of this law. Noteworthy is the fact that foreign news agencies recently spoke of the possibility that once the immigration law was promulgated, the Cambodian Government would put Cambodians of Vietnamese origin and other Vietnamese residents in Cambodia into concentration camps for a widespread screening.

[Reporter] Could you, the professor chairman, elaborate on the reservations expressed by the world public over the immigration law?

[Chairman] Whenever the government of a country promulgates a law that has an international impact and is related to other countries, this law must conform to international laws, conventions, and practices. According to the world opinion, the newly promulgated immigration law contains many articles incompatible with international laws, conventions, and practices concerning the civil rights and the fundamental freedoms of human beings. As far as I know, the immigration law stipulates many very strict conditions for residency. It is, however, not clear whether it will be applied to all foreign residents in Cambodia regardless of how many years or for how many generations they have lived in Cambodia. The immigration law provides detailed stipulations on deportation but with inappropriate procedures that can hardly be implemented fairly. However, it does not have any stipulations ensuring that deportees can enjoy the minimum rights in accordance with international laws such as the right to know the reasons for deportation, the right to appeal, and the right to ask for compensation. These are the things that Khmer Rouge and other extremist and racist forces will exploit to terrorize, ostracize, and massacre Vietnamese nationals, incite national hatred, undermine the fine relations of neighborly friendship between Vietnam and Cambodia, and create a negative impact on the trend of stability and cooperation in the region.

[Reporter] In such a situation, does the Committee for Overseas Vietnamese have any suggestions?

[Chairman] The absolute majority of the Vietnamese community consists of those honest people who respect Cambodian laws, who really associate themselves with the Cambodian country and people, and who have made remarkable contributions to the growth of Cambodia. The Committee for Overseas Vietnamese hopes that the Vietnamese in Cambodia will be treated equally, as are other foreign nationals, and will not be regarded as a target of the immigration law just as His Excellency Prime Minister Ranariddh confirmed in his 5 September 1994 letter to Prime Minister Vo Van Kiet.

The Committee for Overseas Vietnamese calls on the world public to pay great attention to the Cambodian immigration law and to the enforcement of this law and to take necessary measures and actions to prevent, in a timely manner, any regrettable actions that may happen.

The Committee for Overseas Vietnamese requests that the Royal Government of Cambodia and other authoritative organs of Cambodia take drastic and effective measures to

protect the security, life, and property of Vietnamese residents in Cambodia so they can lead a normal life pending talks to be held between the two Governments of Vietnam and Cambodia as already agreed upon in the joint communique of April 1994.

Party Advisor Interview With ABC TV Reported

*BK1009080094 Hanoi VNA in English 1352 GMT
9 Sep 94*

[Text] Hanoi VNA Sept. 9—Vietnam is trying to overcome a legacy of history step by step with the nationwide campaign of hunger eradication and poverty alleviation with encouraging result, said Pham Van Dong, former prime minister, advisor to the party Central Committee, in a recent interview with ABC Television, Australia.

Asked about the market economy currently developed in Vietnam, Mr Dong said: 'We are developing a market economy with state regulation along socialist lines. This role of the state is especially important because it is needed in order to bring into full play the positive impact and to overcome the negative sides of the market mechanism, thus better ensuring the interests of the people.'

'The market economy is a great achievement, the creative product of the physical and intellectual labour of the working people over the world. It has steadily developed with diversity through the age-old history of many nations and of mankind as a whole up to the present era. Developing a market economy with state regulation along socialist lines combines the application of that great achievement with the best of what socialism can give.'

'The socialist orientation sets the objective of making the people rich, the country strong and building a fair and civilized society, and entails policies and measures to that end. In the immediate this is an orientation. In the long run, socialist orientation in practice will increasingly blossom and bear fruit until it is no longer merely an orientation but full-fledged socialism shaped according to Vietnam's identity.'

'The implementation of economic renovation over the recent years has brought about important initial results, which are enjoyed by every Vietnamese family. We are not going to allow the polarization of our society, where the bulk of wealth is owed by a small number of people at one end and poverty at the other end. This means bringing into life president Ho Chi Minh's vision: 'Striving for the poor to have enough to eat, for those who have enough to eat to become wealthy and for the wealthy to become wealthier'.'

'Our country is still poor, the living standard still low. There are still people and families living in poverty. One should not see this simply a result of building a market economy, but rather as chiefly a legacy of history, which we are trying to overcome step by step with the nationwide campaign of hunger eradication and poverty alleviation with encouraging results.'

'A number of people have become rich, many of them thanks to able work and legitimate enterprise, but others through illegitimate means, something which our people cannot accept and our government will consistently endeavour to combat and gradually eliminate.'

In general, the fact that a number of people become rich ahead of others is quite healthy as a manifestation of our policy of a rich people in strong country. Concurrently due attention is given from the very beginning to building a fair and civilized society'.

The party advisor continued: 'In the first session of the government in September 1945, President Ho Chi Minh outlined the three tasks of the government of Vietnam as being: The struggle against hunger, illiteracy and foreign aggression; for many decades, we have been following this direction and it is also the very substance of the renovation we have been conducting in every aspect of life.'

'I think that acting towards the above-mentioned objectives is a creative application of Karl Marx's theory to the circumstances of our country and is in line with the trend of the times, avoiding dogmatism and rigid systematism'.

On the Sino-Vietnamese relation, Mr Dong said: 'Your question addresses an issue of topical significance. We constantly do our best to improve and broaden our relations, both immediate and long-term, in all spheres with the People's Republic of China. To that end, in the recent past, competent agencies on both sides have met to discuss and settle outstanding or newly emerged problems and initial progress has been made.'

'This is a positive approach that should be continued. At the same time we have also been doing our best to improve and broaden our relations with other neighbouring countries as well as countries of Southeast Asia, of Asia and the Pacific and other countries of the world. The foreign policy of broadening and diversifying external relations meets the interest of each country as well as the common interest of peace, stability and development in the region and the world'.

Transport, Communication Plan for 2000 Outlined

*BK1209031794 Hanoi VNA in English 1357 GMT
11 Sep 94*

[Text] Hanoi VNA Sept. 11—A master plan on the overall development of Vietnam's transport and communications for the next 10 years has been worked out, sources from the Ministry of Transport and Communication said last week.

Under this plan, the road system including national highways and inter-provincial roads will be repaired, upgraded and built. Some of the 2,600-km railway lines are to be modernized along with the rail services of international standards.

Apart from upgrading the existing ports, more sea and transit ports will be built, specifically serving the transportation of oil, rice, cement ores and so on.

According to the sources, big efforts are being made in order to raise up two and a half times the current capacity of the maritime transportation. The merchant fleet will include six 65,000-dwt [deadweight tons] ships, 23 container carriers of 20,000 dwt cargo vessels including those for transporting bulk goods, and nearly 180 ocean-going freighters of 2,000 dwt.

The transport industry is planning to manufacture engines with a capacity ranging from 50 hp to 135 hp each for river and coastal ships, and build ships with tonnage of 10,000 dwt. It is expected that ships of greater capacity can be maintained and repaired right at the country's ports.

There are now 280,000 automobiles of various kinds operational in Vietnam, and this number may increase to 500,000. The additional number will be mainly provided by joint ventures with foreign partners in car assembly and manufacture. Due attention is also paid to the upgrading of the three main international airports in Hanoi, Ho Chi Minh City and Danang.

Modernization of the communications network requires great investment capital. It is estimated that some USD 3.4 billion are needed for upgrading and building six highways (from 7-23 metres wide) including Highway 1 or trans-Vietnam highway of 2,300 km long Highway 5, 100 km from Hanoi to Haiphong Port city Highway 18, about 206 km in length linking Highway 1 with the northeastern coal mine area Highway 9, over 200 km long from Ho Chi Minh City to the central highlands Highway 51 nearly 120 km from Ho Chi Minh City to Vung Tau Highway 183 from the Quang Ninh coal area to Haiphong Port. Besides, three new bridges named. [sentence as received] Hien Luong Bridge, 240 km long in Quang Tri, Quan Hau Bridge, 500 km long in Quang Binh Province, and My Thuan Bridge across the Tien River in the Mekong Delta will be built at an estimated cost of USD 80 million. The plan also includes the construction and improvement of the Cai Lan Port (in Quang Ninh Province), and the Ports of Haiphong, Danang, Nha Trang and Qui Nhon.

The larger part of the investment capital is expected from loans from international financial organizations, official development aid from developed countries, and direct investment of foreign companies.

State Budget Collection Rates Termed 'Too Low'

BK1309033794 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 12 Sep 94

[Text] As of today, the total national budget collection has reached only 53.5 percent of the plan. Generally speaking, according to the planning, the total collection is too low. The collection from state enterprises—a great resource for the national budget—has reached only 49 percent, including the collection from income tax, payment of state capital, and the depreciation fund. The collection from the right to land usage has reached only 21.5 percent of the plan.

Apart from some localities that have a high collection rate such as Ho Chi Minh City, Vung Tau, Quang Ninh, Haiphong, and Hai Hung, other localities are experiencing difficulties in state budget collection. Localities that suffer a poor collection rate such as Hanoi, Cao Bang, Quang Tri, Lam Dong, and Dong Nai have collected less than 50 percent of the amount called for in the state plan.

Ha Long Shipyard Builds New Truong Sa Vessel

BK1209031594 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 10 Sep 94

[Text] On 10 September, the Ha Long ship-building plant under the Ministry of Transport and Communications handed over Truong Sa Vessel No. 08 to the Vietnam People's Navy.

The Truong Sa Vessel No. 08 was built by the plant with a new, beautiful design and has more capacity as compared with other vessels previously built by the plant.

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